

23-041A

October 1, 2010

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**Re: New Nets Arena
Barclays Center and Transit Connection
Brooklyn, New York**

Dear Ms. Chiarelli, Mr. Lawlor, and Mr. Matlin:

Enclosed is our Site Observation Report 5 for the referenced project, based on our visit of August 31, 2010. James G. Cockinos, AIA, Senior Associate, performed the observation and prepared the report.

Please refer to **Section II - "Executive Summary"** for a brief overview of the project.

M&H

If you have any questions regarding this report, please call.

Very truly yours,

MERRITT & HARRIS, INC.



James G. Cockinos, AIA
Senior Associate
Group Leader Construction Monitoring

JGC:nn
Enclosure

cc: Forest City Ratner Companies

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**NEW NETS ARENA
BARCLAYS CENTER AND TRANSIT CONNECTION
BROOKLYN, NEW YORK**

SITE OBSERVATION REPORT 5

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SECTION I - IDENTIFICATION

**Project Name
and Location:**

New Nets Arena
Barclays Center and Transit Connection
Brooklyn, New York

Improvements:

The construction of a new 8-level, approximately 670,000 sq. ft., 18,103-seat capacity enclosed state-of-the-art sports arena for the National Basketball Association's professional basketball team, the New Jersey Nets, with 105 suites overall. An underground transit connection from the existing subway station to the Arena plaza, and site work (landscaping, trees, sidewalks, bollards, etc.) in front of and surrounding the Arena, in addition to the 4th Avenue reconfiguration are also to be constructed.

Prepared For:

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(Arena):**

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Architect of Record:	Ellerbe Becket Architects and Engineers, P.C. 2380 Mc Gee, Suite 200 Kansas City, Missouri 64108
Structural Engineers:	Thornton Tomasetti 51 Madison Avenue New York, New York 10010
Mechanical/Electrical/ Plumbing/Fire Protection Engineers:	WSP Flack + Kurtz 512 7 th Avenue New York, New York 10018
Building Codes/Life Safety:	FP&C Consultants One Ward Parkway Kansas City, Missouri 64112
Seismic Engineers:	Mueser Rutledge Consulting Engineers 14 Penn Plaza - 225 West 34 th Street New York, New York 10122
Arena Design Architects:	SHoP Architects, P.C. 11 Park Place Penthouse New York, New York 10007
Civil Engineers: (Site Work Design)	Stantec Consulting Services, Inc. 50 West 23 rd Street, 8 th Floor New York, New York 10010
Construction Manager (Transit Connection):	Turner Construction Company 375 Hudson Street, 6 th Floor New York, New York 10014 Rick Salaway, <i>Senior Project Manager</i> Phone: 212.229.6000 E-mail: rsalaway@tcco.com Chuck Baldwin, LEED AP, <i>Project Manager</i> Phone: 212.229.6000 Mobile: 603.944.3474 E-mail: cbaldwin@tcco.com
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Observation and Report By:	James G. Cockinos, AIA, <i>Senior Associate</i>

**Present During
Site Observation:**

James Lester, Forest City Ratner Companies
Eileen Weingarten, Forest City Ratner Companies
Rebeca D'Eloia, Forest City Ratner Companies
Jennifer Dominguez, Forest City Ratner Companies
Rob Tarulli, Forest City Ratner Companies
Sherreen Baftechi, Forest City Ratner Companies
Lauren Du, Forest City Ratner Companies
Linda Chiarelli, Forest City Ratner Companies
H. Mark Gladden, Hunt Construction
Jon Anthony, Hunt Construction
Scott Hamburg, Hunt Construction

**Date of Site
Observation:**

August 31, 2010

**Date of Previous
Site Observation:**

July 29, 2010

**Dates of Future
Site Observations:**

Last Thursday of each month (8:30 A.M.)
September 30, 2010
October 28, 2010
November 23, 2010
December 22, 2010

SECTION II - EXECUTIVE SUMMARY

This section is intended to be a brief overview of the project, based on our current site visit. Please read the report in its entirety for a complete understanding of our comments and opinions as presented herein.

Conformance to Plans and Specifications and Workmanship

Construction Documents (Drawing Volumes 1 - 6, Specifications Volumes 1 - 3) marked "Not for Construction," dated July 31, 2009, were provided for our review. 60% CD drawings, dated to include the Arena façade have been made available. The 100% CD drawings have been made available as of August 18, 2010.

Mass Transit Improvement documents, (plans and specifications Volumes 1 - 5) labeled "90% Submission," dated August 28, 2009, were provided for our review.

The work is proceeding in general accordance with the plans, specifications, and other pertinent documents that we have reviewed to date.

The overall quality of workmanship is good.

Summary of Hunt GMP Costs

Arena

The following summary is based upon the General Contractor's Application and Certificate for Payment 8, covering the period through August 31, 2010:

Current Contract Value (Design/Build with GMP)		\$472,485,452
Total Work Completed and Stored to Date	8.3%	\$ 39,424,866
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 7,868,811 *

* Current Payment Due includes Hard Costs (\$6,150,265), GC/CM Fee (\$1,254,405), and associated A/E Soft Costs (\$464,141)

In our opinion, the remaining Contract Value funds of \$433,060,586, together with the remaining Developer's Arena Design/Scope Contingency, are sufficient to complete the work as it is currently defined.

The Guaranteed Maximum Price (GMP) was based on the "Scope Set" drawings, dated July 31, 2009.

Transit Connection

The following summary is based upon the General Contractor's Application and Certificate for Payment 1, covering the period through August 31, 2010:

Current Contract Value (Lump Sum)		\$50,581,000
Total Work Completed and Stored to Date	1.7%	\$ 848,700
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 763,830

In our opinion, the remaining Contract Value funds of \$49,732,300, and the Developer's Design/Scope Contingency are sufficient to complete the work as it is currently defined.

Summary of Total Project Hard Costs:

The following summary is based upon the Developer's Application and Certificate for Payment 5 covering the period through August 31, 2010:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$507,193,011	\$47,137,908	\$7,491,770*	\$54,629,678	10.8	\$452,563,333
Transit Connection	66,507,554	3,035,470	763,830	3,799,300	5.7	62,708,254
Arena Site Work	20,143,349	346,032	0	346,032	1.7	19,797,317
Arena Mitigation	<u>2,685,886</u>	<u>0</u>	<u>80,690</u>	<u>80,690</u>	3.0	<u>2,605,196</u>
Totals	\$596,529,800	\$50,519,410	\$8,336,290	\$58,855,700	9.9%	\$537,674,100

The \$8,336,290 being requested for these line items under the Requisition, covering August 2010, was reviewed by our office and found to be reasonable.

* Current Request is part of the Hunt Construction Design-Build contract and includes the trades, GC/CM Fee Costs, and miscellaneous other Hard Costs.

Summary of Total Project Soft Costs

The following summary is based upon the Developer's Application and Certificate for Payment 5, covering the period through August 31, 2010:

Current Revised Budget		\$183,606,869
Total Amount Incurred to Date	82.2%	\$150,912,160
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 2,506,572

The overall Soft Cost budget includes the following Soft Cost related items:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$174,827,003	\$142,729,644	\$2,201,667	\$ 144,931,311	82.9	\$29,895,692
Transit Connection	5,066,098	3,032,874	83,528	3,116,402	61.5	1,949,696
Arena Site Work	3,667,307	2,613,619	221,377	2,834,996	77.3	832,311
Arena Mitigation	46,461	29,451	0	29,451	63.4	17,010
Totals	\$183,606,869	\$148,405,588	\$2,506,572	\$150,912,160	82.2	\$32,694,709

The \$2,506,572 being requested for these line items under the Developer's Requisition, covering August 2010, was reviewed by our office and found to be reasonable.

In our opinion, the remaining budget funds of \$32,694,709 which includes the remaining Development Contingency are sufficient to complete the work as it is currently defined.

Additional costs not included within the Hard or Soft Cost Requisition includes the following:

<u>Description</u>		<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Accounts Payable (AP)	\$ 4,950,367 ⁽¹⁾	\$ 4,517,503	\$ 0	\$ 4,517,503	91.3	\$ 432,864
Financing	29,715,483 ⁽²⁾	29,713,221	0	29,713,221	99.9	2,262
Totals	\$34,665,850	\$34,230,724	\$0	\$34,230,724	98.7	\$ 435,126

⁽¹⁾ Costs incurred prior to closing

⁽²⁾ Costs of financing

Summaries of Recommended Payment Due

<u>Description</u>	<u>Amount</u>
Hard Costs - Arena	\$ 7,491,770.74
Hard Costs - Transit Connection	763,829.21
Hard Costs - Mitigation	80,690.00
Soft Costs	2,506,571.47
Accounts Payable (AP)	0.00
Financing	0.00
Total	\$ 10,842,861.42

Scheduled Completion

According to the Developer, the project began in January 2010, with initial mobilization by the General Contractor. A Notice to Proceed was executed as of March 15, 2010, with a contractual completion date of July 15, 2012, for a 28-month construction term.

A target substantial completion date of June 1, 2012, has been established with the following criteria to be met:

- a. Owner may use and occupy the Arena,
- b. Only punch list items remain,
- c. The Architect of Record has issued a Certificate of Substantial Completion
- d. A TCO has been issued

Punch list work and Subcontractor close-outs may extend the construction term to a final completion date of February 28, 2013.

Based on our computerized progress chart which compares the cash flow amount to the projected construction progress, the project is currently slightly ahead of schedule.

Open Issues/Comments

- 5.1 The following construction items are not critical in nature and are noted for monitoring purposes:
1. Premium time authorized by Hunt to Foundations Subcontractor in Areas D and E
 2. Revised start of steel erection point being reviewed (Column 10 vs. Column 35)
 3. Revised and greater detailed excavation activity in southeast quadrant being implemented
 4. Alt. 2 #4 for SOE and CIP concrete work in southeast quadrant being secured
 5. The Developer is to secure limited exclusion zone requirements from NYC DOB

Previous Periods

- 4.1 The following construction items are not critical in nature and are noted for monitoring purposes:
1. Rebar installation at Pier P3
Update: The rebar inspections are proceeding and being conducted by Thornton-Tomasetti Structural Engineers
 2. Anchor bolts at Column Lines G-15.5, D-15, F-16, D-12, and F-12
 3. Stress crack on grade beam
 4. Concrete placement at Elevator 2A walls located at Grid Line 13.75/F.75
Update: Work has been completed
 5. Water damage occurring at perimeter footing, interior grade beams and footings
Update: Waterproofing operation at all perimeter footings, grade beams, and footings continue to take place

SECTION III - PROJECT SCOPE

The following description is distilled from our Project Review Report, dated November 30, 2009, and is a snapshot of the project scope at that time. A more detailed description of the project scope is contained in our Project Review Report.

The Atlantic Yard Project will consist of the redevelopment of 6 full and 2 partial City Tax blocks including the Metropolitan Transportation Authority (MTA) bus yard and the Long Island Rail Road (LIRR) Vanderbilt rail yard in the Prospect Heights section of Brooklyn, New York.

The site for the proposed arena project is located at the intersection of Flatbush and Atlantic Avenues.

The proposed project will entail the construction of a new 8-level, approximately 670,000 sq. ft., 18,103-seat capacity enclosed state-of-the-art sports arena for the National Basketball Association's professional basketball team, the *Nets*, with 105 suites overall. The arena will also be used for hockey, concert events, and other theatrical presentations.

The arena will consist of 8 levels (Event, Mezzanine, Main Concourse, Lower Suite, Upper Suite, Upper Concourse, Mechanical Mezzanine, and Catwalk Levels) surrounding 2 structured octagonal-shaped seating bowls (lower and upper).

TV truck parking, loading dock facilities, and trash docks will be located on the east and southeast, as well as a central security command center, a truck turntable, and 2 truck elevators at the southeast corner of the level. A flight of stairs on this corner of the level leads up to a small mezzanine which will contain the electrical switchgear room and several electrical compartments. Press work and dining facilities will be located on the northeast corner.

The foundations will be individual, reinforced concrete, spread column footings, grade beams, continuous strip wall footings, foundation walls, elevator pits, pool pits, turntable pit, and truck elevator pit.

Typical floors will consist of concrete fill, reinforced with #4 or #6 bars at 12" on center, bottom and top bars parallel to the span and #4 or #6 bars at 12" on center top perpendicular to the span, on 3"-deep, 18- or 20-gauge composite steel floor deck. The slabs will have a total thicknesses of 5½", 7½", or 12". They will be supported on rolled-shape structural steel floor beams, girders, and columns. Beams and girders will be provided with welded, headed, shear studs for composite action. Rolled-shape structural steel columns will support the girders and transfer gravity (vertical) loads to the foundation. The girders, columns, and bracing members comprise the braced bents.

A central heating plant will consist of 2 natural gas-fired 400 BHP water tube boilers (Unilux as standard). The heating hot water will be distributed using these 680-gpm circulating pumps (1 is a standby) to serve the arena. The hot water supply and return piping will run horizontally to the service corridor in the Event Level. This main will split into 2 supply and return branch main pipes. One set will serve Quadrants A and D, and the other set will serve Quadrants B and C, to feed AHUs in the respective quadrants.

Three 1,000-ton cooling towers (BAC as standard), totaling 3,000 tons, will be installed on the practice court roof. The cooling towers are sized to include a capacity of 300 tons for the Ice Floor Refrigeration Plant. The central condenser water system will provide sand filter filtration and chemical treatment systems.

A waterside economizer system will be installed that consists of a Plate and Frame Heat Exchanger and pumps. Indirect water circulation of the chilled water and condenser water will provide 1,200 tons of cooling capacity when ambient temperatures are appropriate to affect economizer cooling.

Three 900-ton centrifugal chillers (York as standard) for a total of 2,700 tons of cooling will be installed.

The Arena Bowl and Suites will be heated and cooled by 4 VAV draw-through AHUs and VAV boxes, to be supplied with chilled water and heating hot water by a central chilled water and heating hot water plant. Other areas will be provided with DX AC units, HVAC units, fan coil units, cabinet unit heaters, unit heaters, and H & V units exhaust, return, and pressurization fans are installed. The units will be installed in the Upper Mezzanine Mechanical Equipment Room. Each unit will deliver 90,000 CFM of conditioned air that will be distributed utilizing a main loop duct installed adjacent to the catwalk, and with drum louvers mounted on vertical plenum ducts.

Five combined storm and sanitary house sewers will exit the project to connect into the city combined sewer system (four 15" and one 10" combined sewers).

Roof drains will collect the storm water, conducted down in 4 leaders to drain into 3 below-ground storm retention tanks (by others). Tank overflow lines will be piped to the sewer system. A duplex storm water discharge pump will be installed in Quadrant A retention tank and a triplex pump set will be installed in the B/A retention tank that will discharge overflow storm water to the combined sewer system.

The sanitary system will include toilet facilities, saunas, hydrotherapy rooms, kitchens, concessions, prep areas, truck docks, and floor drains in mechanical spaces, laundry areas, locker rooms, bathrooms, and other areas. A duplex ejector pump set will be installed in the mechanical room pit, located under hydro and whirlpool rooms. Waste from the kitchens and food concessions will drain into grease interceptors, and then into the building sanitary system. Sanitary waste from the building will be gathered at the Event Level and will leave the building at 5 locations to connect into the street combined sewers.

A 6" water service from Flatbush Avenue will enter into Quadrant E, equipped with a water meter and double check valve backflow preventer assembly. It will supply water to a 5,000-gal. steel suction tank. Domestic water to the project will be pressure boosted by a quadruplex pump set.

An existing electric utility vault exists at the property line that is available for possible future utility transformers is installed by the utility company. Electric service will be provided by 265/460-volt, 3-phase, 4-wire secondary power to the arena. Four metered main service switchboards, each rated at 4,000-amperes will serve the project.

The Arena Event Sports lighting will be served from 2 dedicated risers. The power will be distributed to 4 locations on the catwalk to 1,000-watt clear metal halide sports lighting fixtures mounted on the catwalk handrails and capable of achieving temporary "blackout" by means of a shutter system without extinguishing the lamp. Emergency power will be provided in addition to the normal Event Lighting Power to supply 20% of the arena lighting fixtures and 50% of aisle light fixtures for emergency egress lighting. Arena aisle lighting will be theatrical 575-watt incandescent fixtures, with rotating shutter assembly, mounted on the catwalk handrails.

Automatic sprinklers will provide protection in all areas of the building with the exception of the seating bowl. The main building will be separated into 4 sprinkler zones on each floor level. Each automatic sprinkler zone control station will include a zone isolation valve with tamper switch, check valve, flow control switch, pressure gauge, and test and drain assembly.

There will be a combination fire standpipe/sprinkler standpipes for the 4 zones fed from a 6" fire protection loop at Event Level 1.

A 90 psi, 1,000-gpm, electric-powered fire pump and an electric jockey pump will supply a 6" fire protection water loop routed around the ceiling of Event Level 1 to supply water to combination standpipes in each of the 4 stair towers of the building.

A diesel generator supplies emergency power to the life safety circuits will include: fire alarm system, smoke exhaust and supply fans, elevators, 1 elevator in each bank at a time, fire and jockey pumps; arena air handling units, emergency and exit lights, stair pressurization fans and boilers.

The energy management system for the Arena will be a microprocessor-based, direct digital control (DDC), building management system. It will monitor, control, and optimize the operation of the HVAC system. The system is the main system for the arena Block complex and will control and monitor distributed subpanels located in each of the 4 towers and central plant. The system head end will be located in the Engineer's office in the arena.

Transit Connection

The work will consist of the construction of the MTAs new Transit Hub Entry, a new below-grade Control Area with back-of-house support facilities, and new connections to both existing IRT (2, 3, 4, 5) and BMT lines (B, Q), as well as renovation of existing platforms, new and/or refurbishment of support facilities and stairs along the affected platforms. Work will also include relocation and restructuring of existing subway vents.

SECTION IV - CONSTRUCTION STATUS

Work was active at the time of our site observation and appeared to be proceeding in a good and workmanlike manner, in general accordance with the plans, specifications, and all pertinent documents reviewed to date.

Items previously reported as generally completed have been removed from this section. The following progress in construction was observed this period:

General Conditions

The General Contractor has mobilized their office across from the site. Protective plywood and chain-link fencing, gates, barricades, concrete barriers, and traffic signage are in place. Mobile cranes, tie-back, and pile driving equipment are on site.

The soil erosion control and stabilization of the construction entrance are in place.

Excavation

Bulk excavation is well advanced at the southeast corner of 6th Avenue Bridge and Pacific Street continuing along Flatbush Avenue and extending to the southwest area of the site. Steel H-sections have been driven with plywood shoring at the east wall of the site. The tie-back operation is substantially complete along the sheeting and shoring wall at the east portion of the site and extending along the Atlantic Avenue retaining wall, and continuing along the west perimeter (5th Avenue). The support of excavation which includes walers and H-section cross bracing abutting the existing MTA subway and LIRR tracks has begun at the west end of the Dean Avenue perimeter wall.

Temporary earth ramps have been formed for construction access.

The removal and transport of the contaminated soils is continuing.

Concrete

Interior footing formwork with rebar placement is underway. Concrete pours are complete at Lines 18 - 19 and in progress at Lines 8.5 - 7.

Anchor bolts and steel embeds/clips are incorporated within the formwork and concrete pours.

Formwork and reinforcing have been set in place for the foundation walls along Lines 14.9, with concrete poured at Lines 21 - 10.

Structural Steel

Shop and erection drawings, anchor bolt and embed drawings, connection design and engineering are underway.

Façade

System engineering and design, shop drawings, and calculations are underway by the Subcontractor. Coordination and detailing are ongoing between all Professional of Record with the Subcontractor (ASI).

Electrical

Temporary power is currently servicing the site.

Underground electrical conduit rough-in is underway for the duct banks.

Please note that Merritt & Harris does not perform consulting relating to asbestos or hazardous materials, claims no expertise in these areas, and can assume no liability for the work opinions, or reports of any independent consulting firms engaged to do so.

SECTION V - DOCUMENTS, TESTS, CERTIFICATIONS, AND PERMITS

Our office has reviewed all of the following documents and found them to be satisfactorily complete, in order, and in general conformance with the contract requirements.

Documents

Our office has reviewed the plans and specifications labeled "Scope Set," dated September 31, 2009, and the 100% Change Order Drawings, dated August 16, 2010.

The following documents were made available this period:

1. General Contractor's Application and Certificate for Payment 8 (Arena), for the period ending August 31, 2010
2. General Contractor's Application and Certificate for Payment 1 (Transit Connection), for the period ending August 31, 2010
3. General Contractor's Application and Certificate for Payment 4 (Environmental), for the period ending August 31, 2010
4. Developer's Requisition Summary 5 for August 2010
5. General Contractor's Monthly Report for August 2010

Tests

The following test reports were reviewed to date:

1. AEL - Atlantic Engineering Laboratories of New York, Inc. Reports:
 - a. Concrete Compressive Strength Report, dated June 16 - August 12, 2010
 - b. Soil Compaction Test Reports – June 21 - August 6, 2010
 - c. Daily Field Reports, dated June 16 - August 12, 2010
 - d. Concrete Plant Inspection Daily Reports, dated June 16 - June 24, 2010
 - e. Structural Steel Field Inspection Reports, dated July 23 - August 3, 2010
 - f. Wall Embed Installation Report, dated August 4, 2010
 - g. Soils Reports, dated July 6 - July 9, 2010
 - h. Sieve & Proctor Reports, dated July 13, 2010

We have reviewed all test reports that were made available to us. Since some reports may be missing from the on-site files, our office is also relying on the Deficiency Logs and Monthly Certification from the Professionals of Record to certify that the work in place is in accordance with the construction documents.

Certifications

1. Architect's Certificate for Payment 8 (Arena) (AIA Document G702 - Application and Certificate for Payment), covering the period through August 31, 2010.

Permits

The following major Building Permits have been received to date:

1. Permit 320140682-01-EW-OT, dated September 2, 2010, expiring September 1, 2011 for ALT 2 - Foundations
2. Permit 320140682-02-EW-OT, dated September 2, 2010, expiring September 1, 2011 for ALT 2 - Sheeting/Shoring/Bracing
3. Permit 320135493-01-EQ-FN, dated September 2, 2010, expiring September 1, 2011 for ALT 2- Construction Equipment Fence
4. Permit 320148782-01-EW-OT, dated September 2, 2010, expiring September 1, 2011 for ALT2 - Sheet/Shoring/Bracing
5. Permit 320100234-01-FO, dated September 3, 2010, expiring September 1, 2011 for New Building - Foundation/Earthwork
6. Permit 320100234-01-FO-EA, dated September 3, 2010, expiring September 1, 2011 for New Building - Earthwork

SECTION VI - CONTRACTS AND BONDS

General Contract

Design/Build with Guaranteed Maximum Price (GMP) Agreement between the Developer and Hunt Construction Group Inc., dated December 28, 2009, amounting to \$484,594,525 has been made available. A 50/50 savings clause subject to a cap of \$5,000,000 is included between the Developer and the Contractor.

Subcontracts

According to Mr. Fisher and Mr. Hamburg, the Hunt Construction Subcontracts are now approximately 68% contracted and is within budget. No major overruns are currently being anticipated.

The following executed subcontracts have been made available to date:

<u>Subcontractor</u>	<u>Trade Description</u>	<u>General Contractor's Original Budget</u>	<u>Subcontract Amount</u>
Almar Plumbing	Plumbing	14,990,000	14,758,000
American Stair	Steel Stairs	4,601,366	2,029,695
ASI Limited	Exterior Façade	39,194,310	32,411,211
ASM	HVAC/BMS	43,350,000	43,250,000
Banker Steel	Structural Steel	50,344,722 *	51,450,673
Banker Steel	Structural Precast	8,279,500	5,920,560
Cimco	Ice rink	3,400,600	3,450,600
Commodore	Structure Concrete	9,070,000	9,070,000
E-J/ERMCO	Electrical	46,511,724	46,231,954
H-Mak	Food Service	10,825,000	9,305,000
Hydro Worx Int'l	Aquatic Therapy Pools	527,500	337,500
J.E. Thompson	Truck Elevators & Turntable	1,572,000	724,000
LaQuila Group	Excavation, Foundation	28,900,000	27,500,000
Otis Elevators	Elevator & Escalators	6,847,250	5,500,000
Staging Concepts	Ornamental Metal	2,701,518	3,232,367
United Hoisting	Fencing	1,510,000	470,900
United Hoisting	Fencing	0	776,210
	Totals	\$272,625,490	\$256,418,670

* Difference between the budgeted amount and the contract amount has been reallocated from the façade allowance.

Note that the contract amounts may not, in all cases, represent the total costs of the individual line items, i.e., Internal Change Orders are not included in the subcontract amounts. Note that the preceding table does not include General Conditions and the Contractor's Fee.

Contractor's Contingency Reserve

The General Contractor's Contingency Reserve balance currently stands at \$19,679,350.

Bonds

Based on the Design/Build Agreement, the General Contractor will not need to be bonded while all Subcontractors must be bonded. Based on the Hunt Construction's contract, all Subcontractors will be bonded in an amount equal to its subcontract price, naming the Developer and General Contractor as co-obligees.

The following Payment and Performance Bonds have been made available to date:

<u>Subcontractor</u>	<u>Trade</u>
LaQuila Group	Excavation, Foundations
United Hoisting	Fencing
Banker Steel	Structural Steel
ASI Limited	Exterior Façade
E-J/ERMCO	Electrical

Note that the subcontracts for "material only" shall not be required to be bonded.

All Subcontractors shall be enrolled in the OCIP Program, as their contracts are executed. A trust fund in the amount of \$7,100,000 has been established with the Bank of New York. EJ/ERMCO JV (Electrical) enrollment in the OCIP Program will be limited to the General Liability (GL) coverage only. ASM Mechanical is excluded from the OCIP and will provide traditional insurance.

SECTION VII - CHANGE ORDERS AND PENDING CHANGE ORDERS
Change Orders

Change Orders 1 -20, totaling a credit of \$(3,126,445), were provided this period and are included in the following list of executed Change Orders that have been made available:

<u>CO</u>	<u>Amount</u>	<u>Description</u>
1	\$ 0	Budget transfer from Division 17 (Technology) to 16 (Electrical) for low voltage scope of work.
2	(895,700)	OCIP Deduct – Banker Steel
3	0	Structural quantities matrix; credits site security credit
4	(1,770,921)	OCIP Deduct – Laquila
5	(220,000)	OCIP deduct – Almar Plumbing
6	57,316	Bus Ramp Design
7	(29,500)	Design Credit for wind and falling ice
8	2,928	Hockey Sightline Study
9	249,994	Updated Construction Fence from Chain Link to Plywood
10	0	Fence around Lot 21 during demolition
11	0	Structural precast concrete award assigned to Banker Steel
12	506,780	Fence upgrades
13	0	Disposal of on-site contaminated excavated materials - \$7,746,950
14	(53,162)	OCIP Deduct – Otis Elevator
15	(1,066,100)	OCIP Deduct – ASI Ltd.
16*	0	Clarification Reconciliation of CCE/GMP Contract Values – (\$8,839,018) credit
17	(153,200)	OCIP Deduct – H-Mak
18	(20,916)	OCIP Deduct – American Stair
19	47,426	Construction Fence Upgrades – General Condition and CM Fee only
20	<u>75,000</u>	Relocate Con Ed Network Room
	\$(3,270,055)	Total

The preceding Change Orders have been executed by the Developer and General Contractor; we recommend your acceptance of these Change Orders. The scope of work and dollar amounts appear reasonable. The scope changes do not substantially change the quality of the project. No time extensions to the project are indicated on these Change Orders.

- * OCO 16 amounting to a credit of \$8,839,018 address the costs of the precon services provided by Hunt Construction prior to start of construction and has been deducted from the current budget and total work-in-place.

The monies for all Change Orders resulting in the Contractor's GMP being increased will be made available from the Developer's Contingency.

Pending Change Orders

The Developer's Pending Change Order (PCO) Log has been delivered and will be made available for the next period.

A Pending Change Order for Hunt Construction for additional General Conditions due to the delayed Notice to Proceed is being contemplated by the Developer.

Developer's Hard Cost Contingency Reserve

The Developer's Total Hard Cost Design/Scope Contingency Reserve balance currently totals \$30,711,748.

SECTION VIII - REQUISITION REVIEW

Summary of Hunt GMP Costs

Arena

The following summary is based upon the General Contractor's Application and Certificates for Payment 8, covering the period through August 31, 2010:

Original Contract (Design/Build with GMP)		\$484,594,525
Adjustments (Less CCE per OCO 16)		(8,839,018)
Adjustments (COs 1 - 20)		<u>(3,270,055)**</u>
Revised Contract Budget		\$472,485,452
Work Previously Completed	6.4%	\$ 30,029,692
Work Completed This Period	1.2%	<u>5,768,207</u>
Total Work Completed To Date	7.6%	\$ 35,797,899
Off-Site Stored Materials		<u>3,626,967</u>
Total Work Completed and Stored To Date	8.3%	\$ 39,424,866
Less Retainage		<u>(2,276,364)</u>
Total Completed and Stored Less Retainage		\$ 37,148,502
Less Previous Payments		<u>(29,279,691)</u>
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 7,868,811 *
Balance to Complete based on Current Contract Value of \$472,485,452		\$433,060,586

* Current Payment Due includes Hard Costs (\$6,150,265), GC/CM Fee (\$1,254,405), and associated A/E Soft Costs (\$464,141)

** The difference between the Developer's Change Order total and the General Contractor's value indicated is that their G702 Application does not include Change Order 20.

In our opinion, the remaining Contract Value funds of \$433,060,586, together with the remaining Developer's Arena Design/Scope Contingency are sufficient to complete the work as it is currently defined.

The GMP budget was based on the "Scope Set" drawings, dated July 31, 2009.

The dollar amounts of each line item were reviewed at the time of our site visit, and the amounts were found to reasonably reflect the percentage of work in place.

Please note the following:

1. The fixed General Conditions will be requisitioned at an amount established under the Payment Schedule with the Developer for the remaining 24 months of the construction term.
2. The Cost of Work (COW) General Conditions shall be requisitioned monthly as cost incurred.
3. The Design Builder's Fee is a "Base Lump Sum" of \$18,200,000 and will be requisitioned as a percentage of work completed.
4. The Ellerbe Becket Design Fees are requisitioned as monthly costs incurred.
5. An Imprest Account amounting to \$1,000,000 has been established.
6. Retainage will be withheld at a rate of 10% for all Subcontractors, with the exception of subcontracts for materials only, until 50% of their subcontract is completed, with 0% withheld thereafter until completion. Early release of retainage for Subcontractors will be considered at the Developer's discretion.
7. This being a GMP contract, complete back-up documentation was made available for our review. No modifications were made to the requested percentages submitted at the time of our site visit.

Transit Connection

The following summary is based upon the General Contractor's Application and Certificate for Payment 1, covering the period through August 31, 2010:

Original Contract (Lump Sum)		\$50,581,000
Work Previously Completed	0.0%	\$ 0
Work Completed This Period	1.7%	<u>848,700</u>
Total Work Completed To Date	1.7%	\$ 848,700
Off-Site Stored Materials		<u>0</u>
Total Work Completed and Stored To Date	1.7%	\$ 848,700
Less Retainage		<u>(84,870)</u>
Total Completed and Stored Less Retainage		\$ 763,830
Less Previous Payments		<u>(0)</u>
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 763,830
Balance to Completed based on Current Contract Value of \$50,581,000		\$49,732,300

In our opinion, the remaining Contract Value funds of \$49,732,300, and the Developer's Design/Scope Contingency are sufficient to complete the work as it is currently defined.

The dollar amounts of each line item were reviewed at the time of our site visit, and the amounts were found to reasonably reflect the percentage of work in place.

Off-Site Stored Materials

The following off-site stored materials amounting to \$3,626,967 represents the current closing inventory.

<u>Trade</u>	<u>Amount</u>
Structural Steel	\$2,703,000
Metal wall panels	<u>923,967</u>
Total	\$3,626,967

Complete backup documentation was made available for these materials, including the Bills of Sale, Insurance Certificates, and Affidavits. As instructed by you, our office will not be observing the materials stored off site.

Summary of Total Project Hard Costs

The overall Hard Cost budget includes the following hard cost related items:

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$507,193,011	\$47,137,908	\$7,491,770*	\$54,629,678	10.8	\$452,563,333
Transit Connection	66,507,554	3,035,470	763,830	3,799,300	5.7	62,708,254
Arena Site Work	20,143,349	346,032	0	346,032	1.7	19,797,317
Arena Mitigation	<u>2,685,886</u>	<u>0</u>	<u>80,690</u>	<u>80,690</u>	3.0	<u>2,605,196</u>
Totals	\$596,529,800	\$50,519,410	\$8,336,290	\$58,855,700	9.9%	\$537,674,100

The \$8,336,290 being requested for these line items under the Requisition, covering August 2010, was reviewed by our office and found to be reasonable.

* Current Request is part of the Hunt Construction Design-Build contract and includes the trades, GC/CM Fee Costs, and other miscellaneous Hard Costs.

Soft Costs

<u>Description</u>	<u>Budget</u>	<u>Total Completed</u>	<u>Amount Due</u>	<u>Remaining Balance</u>	<u>% Complete</u>
Architecture and Engineering	\$ 100,346,749	\$ 91,090,062	\$ 828,938	\$ 9,256,687	90.8
Legal	2,828,180	800,494	0	2,027,686	28.3
Development Costs	45,000,000	35,306,814	1,641,633	9,693,186	78.5
Project Expenses/Marketing	29,415,305	22,685,242	36,000	6,730,063	77.1
Insurance/Commissioning	3,344,840	1,029,548	0	2,315,292	30.8
Development Contingency	<u>2,671,795</u>	<u>0</u>	<u>0</u>	<u>2,671,795</u>	<u>0.0</u>
Totals	\$183,606,869	\$150,912,160	\$2,506,571	\$32,694,709	82.2%

Current Revised Budget		\$183,606,869
Total Amount Incurred to Date	82.2%	\$150,912,160
Current Payment Due and Recommended by Merritt & Harris, Inc.		\$ 2,506,572
Balance Amount based on Budget of \$183,606,869		\$ 32,694,709

Soft Cost Related Items

<u>Description</u>	<u>Budget</u>	<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Arena	\$174,827,003	\$142,729,644	\$2,201,667	\$ 144,931,311	82.9	\$29,895,692
Transit Connection	5,066,098	3,032,874	83,528	3,116,402	61.5	1,949,696
Arena Site Work	3,667,307	2,613,619	221,377	2,834,996	77.3	832,311
Arena Mitigation	<u>46,461</u>	<u>29,451</u>	<u>0</u>	<u>29,451</u>	63.4	<u>17,010</u>
Totals	\$183,606,869	\$148,405,588	\$2,506,572	\$150,912,160	82.2	\$32,694,709

Additional costs not included within the Hard or Soft Cost Requisition includes the following:

<u>Description</u>		<u>Previously Completed</u>	<u>Current Request</u>	<u>Total Completed</u>	<u>% Complete</u>	<u>Remaining Balance</u>
Accounts Payable (AP)	\$ 4,950,367 ⁽¹⁾	\$ 4,517,503	\$ 0	\$ 4,517,503	91.3	\$ 432,864
Financing	<u>29,715,483⁽²⁾</u>	<u>29,713,221</u>	<u>0</u>	<u>29,713,221</u>	99.9	<u>2,262</u>
Totals	\$34,665,850	\$34,230,724	\$0	\$34,230,724	98.7	\$ 435,126

⁽¹⁾ Costs incurred prior to closing

⁽²⁾ Costs of financing

Summaries of Recommended Payment Due

<u>Description</u>	<u>Amount</u>
Hard Costs - Arena	\$ 7,491,770.74
Hard Costs - Transit Connection	763,829.21
Hard Costs - Mitigation	80,690.00
Soft Costs	2,506,571.47
Accounts Payable (AP)	0.00
Financing	<u>0.00</u>
Total	\$ 10,842,861.42

SECTION IX - LIEN WAIVERS

The General Contractor's Lien Waiver, dated September 1, 2010, amounting to \$37,148,501.66 including the current payment of \$7,868,810.74 was made available for our review. The lien waiver amount agrees with the monies requisitioned by the General Contractor through Application and Certificate for Payment 7, covering through August 31, 2010.

The following Subcontractors' lien waivers have been made available to date:

<u>Subcontractor</u>	<u>Cumulative Amount Paid</u>	<u>Period Ending</u>
ASI Limited	\$ 2,770,511	08/30/10
ASM Mechanical	353,925	08/24/10
Almar Plumbing	151,380	08/23/10
Banker Steel	2,315,579	08/23/10
E-J/ERMCO	2,170,733	08/30/10
H-Mak	453,105	07/27/10
Hydro Work Int'l	33,750	04/30/10
LaQuila Group	5,494,908	08/25/10
LaQuila Group - Environmental	2,440,289	08/25/10
United Hoisting	<u>282,600</u>	08/31/10
Total	\$16,466,780	

As of the current Application and Certificate for Payment 8, the previously funded amount to the General Contractor currently totals \$29,279,691. The amounts requisitioned under General Conditions, Fee, Design Fees, and Pre-Construction Estimating Services constitute the major portion of the difference between the amount paid to date and lien waivers made available to date.

Please note that our office is not performing a detailed accounting of lien waiver amounts paid to date for each Subcontractor. We are calculating the total of all lien waivers to date, to ascertain whether the total amount paid to date generally conforms to the most recently funded requisition amount.

SECTION X - CONSTRUCTION SCHEDULE

Rate of Progress and Estimated Completion Date

According to the Developer, the project began in January 2010, with initial mobilization by the General Contractor. A Notice to Proceed was executed as of March 15, 2010, with a contractual completion date of July 15, 2012, for a 28-month construction term.

A target substantial completion date of June 1, 2012, has been established with the following criteria to be met:

- a. Owner may use and occupy the Arena,
- b. Only punch list items remain,
- c. The Architect of Record has issued a Certificate of Substantial Completion
- d. A TCO has been issued

Punch list work and Subcontractor close-outs may extend the construction term to a final completion date of February 28, 2013.

According to the General Contractor, 80 persons have been on the job this month. Daily Manpower Logs, in chronological order, will be made available at the job site and will be reviewed periodically by our office.

We are enclosing our own computerized Construction Chart on which we have plotted actual construction progress versus the projected construction progress (see Attachment). This chart, based on cash flow projections, gives you an idea as to how the project is progressing on a month-to-month basis.

Currently, the project is slightly ahead of schedule.

Work Anticipated for the Next Period

Mr. Gladden indicated that by our next site visit, we should expect to see the following progress:

1. Bulk excavation will be complete along the southwest corner
2. The support of excavation operation will continue along Dean Street
3. Interior footings at Lines 8.5 - 7 will be poured
4. Foundation walls along Lines 12 – 9 will be poured
5. Underground electrical rough-in will continue
6. Retaining wall removal along 3rd Avenue will continue

In our opinion, the preceding projections, as stated by Mr. Gladden, are realistic. It should be noted that the project has been mobilized and is currently in full swing.

SECTION XI - ATTACHMENTS

The following documents are attached to this report:

1. *Site Location Map*
2. *Developer's Requisition 5, covering August 2010*
3. *General Contractor's Application and Certificate for Payment 8 (Arena), covering the period through August 31, 2010*
4. *General Contractor's Application and Certificate for Payment 4 (Environmental), covering the period through August 31, 2010*
5. *General Contractor's Application and Certificate for Payment 1 (Transit Connection), covering the period through August 31, 2010*
6. *Developer's Requisition for Payment*
7. *Change Order Summary*
8. *Off-Site Stored Material Documentation*
9. *Construction Progress Chart, prepared by Merritt & Harris, Inc.*
10. *Progress Photographs*

23-041

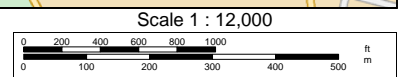
**BARCLAYS CENTER
BROOKLYN, NEW YORK**



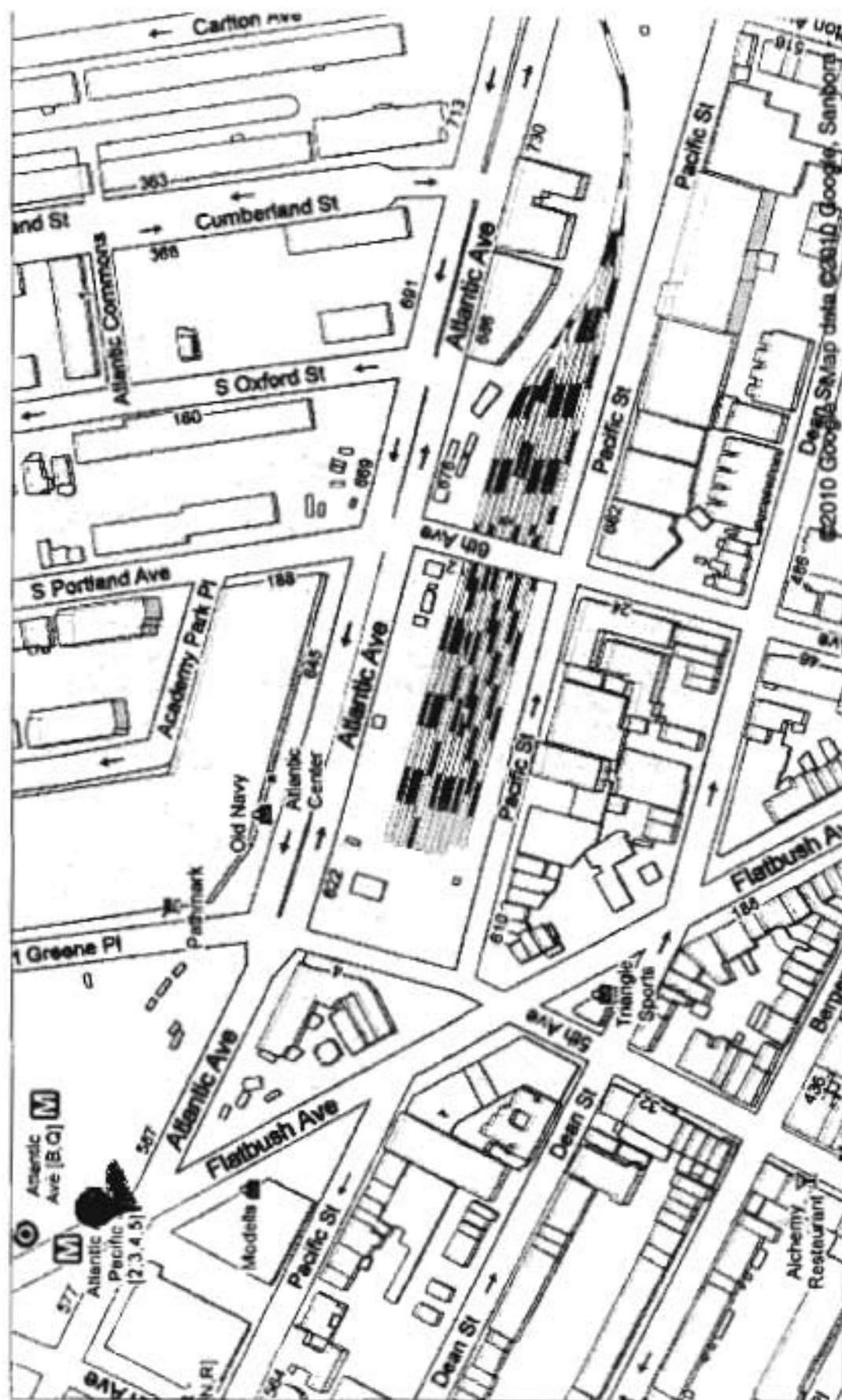
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ATTACHMENT 1



**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 5
SUMMARY**

	(A) Total Budget	(B) Revisions	(C) Upward Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D+E) Total Expended to Date	(G) = (C-F) Remaining Balance	(H) Rebalance To Date
Site Acquisition Costs:								
1 Hard Costs:	124,125,125	0	124,125,125	124,125,125	0	0	0	-
2 Trades	471,705,468	13,246,000	485,459,468	30,001,228	8,642,455	36,643,664	431,815,774	2,319,864
3 GC / CM Fee	60,694,032	1,746,000	62,440,032	8,184,765	1,806,736	10,861,520	51,578,512	41,370
4 GMP Contingency	19,879,350	0	19,879,350	0	0	0	19,879,350	-
5 Hunt Add / Allowance for Site Rpts. & FF&E	0	0	0	0	0	0	0	-
6 Preliminary Engineering Services	11,396,808	0	11,396,808	10,927,403	0	10,927,403	469,405	-
7 Permits, Bonds	2,301,484	0	2,301,484	284,448	87,100	351,548	1,949,936	-
8 Owner's Testing/Survey	1,540,808	0	1,540,808	131,534	0	131,534	1,409,274	-
9 Owner's Design/Scope Contingency	30,711,748	0	30,711,748	0	0	0	30,711,748	-
10 Total Hard Costs	598,929,800	(1,500,000)	596,529,800	59,519,409	8,336,290	59,855,699	537,674,100	2,361,234
Soft Costs and Other:								
11 Architecture & Engineering	80,848,748	1,500,000	100,346,748	90,281,123	828,938	91,090,062	8,256,687	-
12 Legal	2,828,180	0	2,828,180	800,494	0	800,494	2,027,686	-
13 Development Costs	45,009,000	0	45,009,000	33,685,181	1,841,633	35,506,814	8,693,186	-
14 Project Expenses / Marketing	28,245,305	170,000	28,415,305	22,849,242	36,000	22,885,242	6,730,063	-
15 Insurance / Commissioning / Other	3,514,840	(170,000)	3,344,840	1,028,548	0	1,028,548	2,316,292	-
16 Development Contingency	2,871,795	0	2,871,795	0	0	0	2,871,795	-
17 Total Soft Costs & Other	162,104,869	1,500,000	163,604,869	148,406,588	2,680,571	150,912,160	32,692,709	-
18 Total Project Costs	904,281,793	0	904,281,793	323,850,122	10,842,861	333,892,984	570,388,810	2,361,234
19 Total AP	0	0	0	(432,804)	0	(432,804)	432,804	-
20 Total Liability	0	0	0	(432,804)	0	(432,804)	432,804	-
21 TOTAL USES	904,281,793	0	904,281,793	322,817,268	10,842,861	333,660,128	570,601,673	0
SOURCES:								
22 Contribution from NYCNYB	(131,699,000)	0	(131,699,000)	(131,699,000)	0	(131,699,000)	0	-
23 Tax-Exempt Bond Proceeds	(510,699,697)	0	(510,699,697)	(113,801,430)	0	(113,801,430)	(397,398,267)	-
24 Funds to Construction Account from Non Asset Account Escrow	0	0	0	48,975	0	48,975	(48,975)	-
25 Projected Interest Earnings on Bond Fund (Prior to Vacant Possession)	(1,837,350)	0	(1,837,350)	(1,837,350)	0	(1,837,350)	0	-
26 Projected Interest Earnings on Construction Account	(8,091,727)	0	(8,091,727)	0	0	0	(8,091,727)	-
27 Costs of Financing from Bond Proceeds and certain Interest Earnings	116,538,790	0	116,538,790	116,538,790	0	116,538,790	0	-
28 Total Construction Account Sources	(425,466,253)	0	(425,466,253)	(425,466,253)	0	(425,466,253)	0	-
29 Additional Rent	(306,712,880)	0	(306,712,880)	(239,454,889)	(10,842,861)	(248,148,336)	(147,564,544)	-
30 Projected Interest Earnings on Non-Asset Account	(39,850)	0	(39,850)	(39,850)	0	(39,850)	0	-
31 Projected Interest Earnings on Additional Rent Account	(734,253)	0	(734,253)	0	0	0	(734,253)	-
32 Surplus Costs of Insurance Deposit to Additional Rent Account	0	0	0	2,262	0	2,262	(2,262)	-
33 Non Asset Account Escrow	0	0	0	0	0	0	0	-
34 cost to Additional Rent Account from Non-Asset Account Escrow	0	0	0	18,113,032	0	18,113,032	(18,113,032)	-
35 Rental Rent Account Balance	(387,485,984)	0	(387,485,984)	(221,379,455)	(10,842,861)	(231,872,891)	(160,114,093)	-
36 Is of Financing from Additional Rent and certain Interest Earnings	29,715,483	0	29,715,483	29,715,483	0	29,715,483	2,882	-
37 Additional Rent Sources (Net of COI)	(387,771,501)	0	(387,771,501)	(181,866,224)	(10,842,861)	(201,359,671)	(186,411,831)	-
38 TOTAL SOURCES (NET OF COI)	(904,281,793)	0	(904,281,793)	(322,817,268)	(10,842,861)	(333,660,128)	(570,601,673)	-
39 Rental Rent Account at Vacant Possession (5-12-10)	213,878,762	0	213,878,762	213,878,762	0	213,878,762	166,264,867	-
40 Construction Account Balance at Vacant Possession (5-12-10)	486,539,286	0	486,539,286	486,539,286	0	486,539,286	405,539,286	-

**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 5
ARENA BUILDING**

	(A) Arena Building Budget	(B) Budget Revisions	(C) Updated Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D+E) Total Expended to Date	(G) = (C-F) Remaining Balance	(H) Remaining To Date
Site Acquisition Costs:	124,125,125	0	124,125,125	124,125,125	0	124,125,125	0	-
Hard Costs:								
Trades	395,246,107	0	395,246,107	28,633,825	6,150,265	34,783,890	360,462,217	2,276,364
GC / CM Fee	68,642,848	0	68,642,848	8,194,765	1,254,405	10,449,190	48,193,459	-
CMF Contingency	19,679,360	0	19,679,360	0	0	0	19,679,360	-
Plant Add / Alternate Allowance for Site Reqs. & FF&E	0	0	0	0	0	0	0	-
Preconstruction Estimating Services	8,914,565	0	8,914,565	8,914,565	0	8,914,565	0	-
Permits, Bonds	750,000	0	750,000	283,394	87,100	360,498	389,501	-
Owner's Testing/Survey	1,341,007	0	1,341,007	131,634	0	131,534	1,209,473	-
Owner's Design/Scope Contingency	22,619,332	0	22,619,332	0	0	0	22,619,332	-
Total Hard Costs	507,183,010	0	507,183,010	47,137,908	7,491,770	54,629,678	452,553,332	2,276,364
Soft Costs and Other:								
Architecture & Engineering	93,238,819	(960,000)	92,278,819	85,053,907	528,502	85,583,459	6,695,320	-
Legal	2,865,000	0	2,865,000	837,314	0	837,314	2,027,686	-
Development Costs	45,000,000	0	45,000,000	33,665,181	1,641,833	35,306,814	9,693,186	-
Project Expenses / Marketing	29,085,305	0	29,085,305	22,479,308	30,532	22,509,838	6,575,467	-
Insurance / Commissioning / Other	3,128,084	0	3,128,084	863,846	0	863,846	2,232,239	-
Development Contingency	2,871,785	0	2,871,785	0	0	0	2,871,785	-
Total Soft Costs & Other	175,787,003	(960,000)	174,827,003	142,729,644	2,201,867	144,931,311	29,895,692	-
Total Project Costs	682,970,013	(960,000)	682,010,013	313,862,875	9,693,438	323,556,113	452,453,925	2,276,364
Total AP	0	0	0	(425,043)	0	(425,043)	425,043	-
Total Liability	0	0	0	(425,043)	0	(425,043)	425,043	-
TOTAL USES	682,970,013	(960,000)	682,010,013	313,862,875	9,693,438	323,556,113	452,453,925	2,276,364
Add: COI this period	0	0	0	0	0	0	0	-
TOTAL ARENA (w/ COI)	682,970,013	(960,000)	682,010,013	313,862,875	9,693,438	323,556,113	452,453,925	2,276,364

**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 5
TRANSIT CONNECTION**

	(A) Transit Connection Budget	(B) Budget Revisions	(C) Updated Budget	(D) Previously Expended	(E) Current Requisition	(F) = (D)+(E) Total Expended To Date	(G) = (C)-(F) Remaining Balance	(H) Requisition To Date
1 Site Acquisition Costs:								
2 Land Costs:								
3 Tracts	58,524,500	(3,245,000)	55,279,500	1,053,180	411,500	1,464,680	53,814,820	43,500
4 GC / CM Fee	0	1,746,000	1,746,000	0	352,300	352,300	1,393,700	61,370
5 CMP Contingency	0	0	0	0	0	0	0	
6 Permit Add / Alternate Allowance for Site Reqs. & FF&E	0	0	0	0	0	0	0	
7 Preconstruction Estimating Services	2,282,244	0	2,282,244	1,981,240	0	1,981,240	301,004	
8 Permits, Bonds	1,186,850	0	1,186,850	1,050	0	1,050	1,185,800	
9 Owner's Testing/Survey	0	0	0	0	0	0	0	
10 Owner's Design/Scope Contingency	8,033,980	0	8,033,980	0	0	0	8,033,980	
11 Total Hard Costs	68,807,554	(1,500,000)	67,307,554	3,035,420	763,800	3,799,220	63,508,334	84,870
12								
13 Soft Costs and Other:								
14 Architecture & Engineering	9,117,848	1,500,000	4,617,848	2,758,820	79,434	2,838,254	1,781,594	
15 Legal	163,180	0	163,180	163,180	0	163,180	0	
16 Development Costs	0	0	0	0	0	0	0	
17 Project Expenses / Marketing	0	125,000	125,000	8,189	4,094	12,282	112,718	
18 Insurance / Commissioning / Other	285,070	(125,000)	160,070	104,685	0	104,685	55,384	
19 Derelictment Contingency	0	0	0	0	0	0	0	
20 Total Soft Costs & Other	9,565,998	1,375,000	8,190,998	3,032,874	83,528	3,116,402	1,849,596	
21								
22 Total Project Costs	77,873,552	0	75,498,552	6,068,294	847,328	6,915,622	64,582,930	84,870
23								
24 Total AP	0	0	0	(7,520)	0	17,820	7,820	
25								
26 Total Liability	0	0	0	7,520	0	(7,520)	7,520	
27								
28 TOTAL LIABILITIES	77,873,552	0	75,498,552	6,060,774	847,328	6,908,102	64,590,450	84,870

EXHIBIT A

	(A) Account Elements Budget	(B) Budget Revisions	(C) Unaudited Budget	(D) Previously Reported	(E) Current Request/Rebate	(F) = (D+E) Total Expected in FY0	(G) = (C-F) Difference Balance	(H) Revising FY Date
1	Site Acquisition Costs:							
2	Permits Costs:							
3	Taxes:	16,734,000	0	16,734,000	514,434	314,434	15,419,567	
4	GCC / C&I Fee	1,000,000	0	1,000,000	0	0	1,000,000	
5	GCC / C&I Fee	0	0	0	0	0	0	
6	GCC Contingency	0	0	0	0	0	0	
7	Joint Aids / Alternative Allowance for San Ramon & FFAAC	150,000	0	150,000	21,500	21,500	128,500	
8	Preconstruction Estimating Services	354,010	0	354,010	0	0	354,010	
9	Permits, Bonds	190,001	0	190,001	0	0	190,001	
10	Owner's Testing/Survey	1,017,203	0	1,017,203	0	0	1,017,203	
11	Owner's Design/Right-of-Way Contingency	25,143,340	0	25,143,340	340,822	340,822	24,802,518	
12	Total Permit Costs							
13	Bath Closets and Other:							
14	Architecture & Engineering	2,450,831	0	2,450,831	2,420,803	2,420,803	30,028	
15	Legal	0	0	0	0	0	0	
16	Development Costs	100,000	0	100,000	0	0	100,000	
17	Project Expenses / Marketing	0	0	0	0	0	0	
18	Insurance / Commissioning / Other	86,879	0	86,879	181,248	181,248	0	
19	Development Contingency	0	0	0	31,017	31,017	0	
20	Total Bath Closets & Other	2,787,710	0	2,787,710	2,833,870	2,833,870	45,660	
21	Total Project Costs							
22	Total Project Costs	22,200,000	0	22,200,000	2,900,031	2,900,031	19,300,000	
23	Total AP							
24	Total AP	0	0	0	0	0	0	
25	Total Monthly							
26	Total Monthly	0	0	0	0	0	0	
27	TOTAL COSTS	21,200,000	\$40,000	21,240,000	2,900,031	2,900,031	19,340,000	
28								
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**EXHIBIT A
BARCLAYS ARENA
REQUISITION # 5
ARENA MITIGATION**

	(A) Arena Mitigation Budget	(B) Budget Revisions	(C) Budget Revisions	(D) Previously Expended	(E) Current Requisition	(F) = (D+E) Total Expended To Date	(G) = (C-F) Remaining Balance	(H) Retainage To Date
1 Site Acquisition Costs:								
2 Hard Costs:								
3 Trades	2,200,800	0	2,200,800	0	80,690	80,690	2,120,110	0
4 GC / CM Fee	183,296	0	183,296	0	0	0	183,296	0
5 GMP Contingency	0	0	0	0	0	0	0	0
6 Hunt Add / Alternate Allowance for Site Reqs. & FF&E	0	0	0	0	0	0	0	0
7 Preconstruction Estimating Services	50,000	0	50,000	0	0	0	50,000	0
8 Permits, Bonds	30,618	0	30,618	0	0	0	30,618	0
9 Owner's Testing/Survey	0	0	0	0	0	0	0	0
10 Owner's Design/Scope Contingency	241,172	0	241,172	0	0	0	241,172	0
11 Total Hard Costs	2,685,886	0	2,685,886	0	80,690	80,690	2,605,196	-
12								
13 Soft Costs and Other:								
14 Architecture & Engineering	29,451	0	29,451	29,451	0	29,451	0	0
15 Legal	0	0	0	0	0	0	0	0
16 Development Costs	0	0	0	0	0	0	0	0
17 Project Expenses / Marketing	0	0	0	0	0	0	0	0
18 Insurance / Commissioning / Other	17,010	0	17,010	0	0	0	17,010	0
19 Development Contingency	0	0	0	0	0	0	0	0
20 Total Soft Costs & Other	46,461	0	46,461	29,451	0	29,451	17,010	-
21								
22 Total Project Costs	2,732,347	0	2,732,347	29,451	80,690	110,141	2,622,206	-
23								
24 Total AP	0			0	0	0	0	0
25								
26 Total Liability	0	0	0	0	0	0	0	-
27								
28 TOTAL USES	2,732,347	0	2,732,347	29,451	80,690	110,141	2,622,206	-
29								

BARCLAYS CENTER
ARENA
REQUISITION #5
VENDOR LIST

Sum of Req #6 Requisition Line 04 - Trades	Vendor name	Invoice	Requisition Sheet Arena Building	Arena Transit	Arena Stewwork	Arena Mitigation	Grand Total	
	Hunt Construction Group Inc. Total	APP# 1287-008	8,150,265.15				8,150,265.15	H
	John Civetta & Sons		8,150,265.15				8,150,265.15	H
	John Civetta & Sons Total	2032-APP#1		411,500.00			411,500.00	H
	Sam Schwartz	126		411,500.00		4,662.10	411,500.00	H
		128				7,587.46	7,587.46	H
		130				7,615.78	7,615.78	H
		131				36,424.41	36,424.41	H
		134				24,420.48	24,420.48	H
	Sam Schwartz Total					80,690.21	80,690.21	H
04 - Trades Total			8,150,265.15	411,500.00		80,690.21	8,642,455.36	H
05 - GC/CM Fee	Hunt Construction Group Inc. Total	APP# 1287-008	1,254,404.59				1,254,404.59	H
	John Civetta & Sons		1,254,404.59				1,254,404.59	H
	John Civetta & Sons Total	2032-APP#1		352,330.00			352,330.00	H
				352,330.00			352,330.00	H
06 - GC/CM Fee Total			1,254,404.59	352,330.00			1,606,734.59	H
09 - Permits, Bonds	Jam Consultants Inc. Total	107282	87,100.00				87,100.00	H
	Jam Consultants Inc.		87,100.00				87,100.00	H
09 - Permits, Bonds Total			87,100.00				87,100.00	H
15 - Architecture & Engineering	A.E. Esteban & Company	739353		8,084.37			8,084.37	H
		740981		2,099.97			2,099.97	H
	A.E. Esteban & Company Total			8,184.34			8,184.34	H
	Hunt Construction Group Inc. Total	APP# 1287-008	464,141.00				464,141.00	H
	Hunt Construction Group Inc.		464,141.00				464,141.00	H
	Shop Architects PC	090705-16	49,837.85				49,837.85	H
		090705-16 Plaza						H
	Shop Architects PC Total		49,837.85				49,837.85	H
	Stantec Consulting Services Inc	APP7-415745						H
		APP8-427382						H
		APP8-427206						H
	Stantec Consulting Services Inc Total		15,523.00				15,523.00	H
			15,523.00				15,523.00	H
15 - Architecture & Engineering Total			529,691.65	8,184.34			537,875.99	H
17 - Development Cost	Forest City Ratner Co. Total	LE053110C	814,300.00				814,300.00	H
		SM073110C	394,000.00				394,000.00	H
		SM083110C	433,333.00				433,333.00	H
	Forest City Ratner Co. Total		1,641,633.00				1,641,633.00	H
17 - Development Cost Total			1,641,633.00				1,641,633.00	H
18 - Project Expenses/Marketing	Darryl E. Greene & Associates	BEC-2010-3	30,532.00				30,532.00	H
	Darryl E. Greene & Associates Total		30,532.00				30,532.00	H
18 - Project Expenses/Marketing Total			30,532.00				30,532.00	H
Grand Total			9,693,436.39	847,358.00	221,376.82	80,690.21	10,842,861.42	H

APPLICATION AND CERTIFICATION FOR PAYMENT

ALA DOCUMENT G702

PAGE ONE OF

PAGE 08

TO OWNER:

Adams Yards Development Company, LLC
One Metropolitan Center North, 11th Floor
Brooklyn, NY 11201

PROJECT: Barclay's Center Annex
at Atlantic Yards

APPLICATION NO: 1287-008 (001)

ARENA ONLY

Distribution to:

<input type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR

PERIOD TO:

08/31/10

FROM CONTRACTOR:

Hunt Construction Group, Inc.
625 Atlantic Avenue, 3rd Floor
Brooklyn, NY 11217

VIA ARCHITECT:
Elberle Beckert
2380 McGee Street
Kansas City, MO 64108

PROJECT NOS:

CONTRACT FOR

CONTRACT DATE

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract Continuation Sheet, ALA Document G703. It is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Hunt Construction Group, Inc.

By:

Date: 09/02/10

State of: New York

Subscribed and sworn to before me this 2nd day of Sept.

Notary Public

My Commission Expires:

ZAFARI, AHMED
No. 01AH5020844
Qualified in Suffolk County

Commission Expires November 28, 2013

1A. ORIGINAL CONTRACT SUM - GMP	\$ 484,294,821.00
1B. LESS CCE PER OCO 16	\$ (18,819,018.00)
1. TOTAL PROJECT COST	\$ 465,475,803.00
2. Net change by Change Orders Thru 16	\$ (13,265,363.00)
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$ 452,210,440.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$ 39,434,863.58

5. RETAINAGE: a. % of Completed Work \$ 2,276,363.92

b. % of Stored Material \$

Total Retainage (Lines 5a + 5b or Total in Column I of G703)

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$ 2,276,363.92
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificates)	\$ 37,143,381.66

8. CURRENT PAYMENT DUE	\$ 29,279,690.92
9. BALANCE TO FINAL, INCLUDING RETAINAGE (Line 3 less Line 6)	\$ 7,868,810.74

AMOUNT CERTIFIED	\$ 7,868,810.74
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CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$756,774.00	\$1,005,381.00
Total approved this Month	\$187,162.00	\$203,610.00
TOTALS	\$943,936.00	\$1,208,991.00
NET CHANGES by Change Order	\$153,295,363.00	

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application by a competent person who certifies that they are charged to conform with the amount certified.)

APPROVED BY: [Signature]

Date: 9/2/10

CONFIDENTIAL

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Project	Phase	Sub-Phase	Task	Owner	Start Date	End Date	Duration	Priority	Status	Progress	Comments	Dependencies	Resources	Cost	Risk	Impact	Notes
Project A	Phase 1	Sub-Phase 1	Task 1.1	John Doe	2023-01-01	2023-01-15	14 days	High	Completed	100%	Task completed successfully.	Task 1.2	John Doe	\$10,000	Low	Positive	Initial setup and planning.
			Task 1.2	John Doe	2023-01-15	2023-01-30	15 days	High	In Progress	75%	Task is 75% complete.	Task 1.3	John Doe	\$10,000	Low	Positive	Continued development.
			Task 1.3	John Doe	2023-01-30	2023-02-10	11 days	High	Not Started	0%	Task not started yet.	Task 1.4	John Doe	\$10,000	Low	Positive	Final testing and deployment.
			Task 1.4	John Doe	2023-02-10	2023-02-25	15 days	High	Not Started	0%	Task not started yet.	Task 1.5	John Doe	\$10,000	Low	Positive	Post-launch monitoring.
Project B	Phase 2	Sub-Phase 2	Task 2.1	Jane Smith	2023-02-01	2023-02-15	14 days	Medium	Completed	100%	Task completed successfully.	Task 2.2	Jane Smith	\$10,000	Low	Positive	Initial setup and planning.
			Task 2.2	Jane Smith	2023-02-15	2023-02-30	15 days	Medium	In Progress	50%	Task is 50% complete.	Task 2.3	Jane Smith	\$10,000	Low	Positive	Continued development.
			Task 2.3	Jane Smith	2023-02-30	2023-03-15	15 days	Medium	Not Started	0%	Task not started yet.	Task 2.4	Jane Smith	\$10,000	Low	Positive	Final testing and deployment.
			Task 2.4	Jane Smith	2023-03-15	2023-03-30	15 days	Medium	Not Started	0%	Task not started yet.	Task 2.5	Jane Smith	\$10,000	Low	Positive	Post-launch monitoring.
Project C	Phase 3	Sub-Phase 3	Task 3.1	Mike Johnson	2023-03-01	2023-03-15	14 days	High	Completed	100%	Task completed successfully.	Task 3.2	Mike Johnson	\$10,000	Low	Positive	Initial setup and planning.
			Task 3.2	Mike Johnson	2023-03-15	2023-03-30	15 days	High	In Progress	25%	Task is 25% complete.	Task 3.3	Mike Johnson	\$10,000	Low	Positive	Continued development.
			Task 3.3	Mike Johnson	2023-03-30	2023-04-15	15 days	High	Not Started	0%	Task not started yet.	Task 3.4	Mike Johnson	\$10,000	Low	Positive	Final testing and deployment.
			Task 3.4	Mike Johnson	2023-04-15	2023-04-30	15 days	High	Not Started	0%	Task not started yet.	Task 3.5	Mike Johnson	\$10,000	Low	Positive	Post-launch monitoring.

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HUNT CONSTRUCTION GROUP, INC

INVOICE NO. 1287-08

FEE CALCULATION

Total Completed & Stored to Date Less CM Fee	\$46,971,134.18	(1)
Less Ellerbe Design Fees	\$6,828,527.00	
Less CCE Fee	\$8,839,018.00	
Total Cost of Work to Date	\$31,303,589.18	

Total Adjusted GMP	\$481,328,962.00
Less Design Builders Fee	\$18,234,926.00
Less Ellerbe Design Fees	\$13,546,770.00
Less CCE Fee	\$8,839,018.00
Total Adjusted Contract Amount	\$440,708,248.00

Percent Complete	7.10%
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DESIGN BUILD FEE	\$ 18,200,000.00
Percent Complete	7.10%

Fee Earned	\$ 1,292,749.40
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Construction Phase Fee Earned	\$1,292,749.40
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Less Fee Earned Previously	\$1,010,425.25
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Fee for August 2010	\$ 282,324.15
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Total Fee Earned to Date	\$ 1,292,749.40
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Less Fee Paid To Date	\$1,010,425.25
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Fee Due This Month	\$ 282,324.15
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(1) Amount equals AIA 703 Grand Total Column G minus CM Fee to date from AIA 703 Column G

FIXED CASH FLOW / PAYMENT SCHEDULE

Hunt Construction Group [28-Month Construction Schedule] Fixed General Conditions - Exhibit "A" November 16, 2009

	Month	S/Month	Accumulative
Nov-09	Month 1	\$ 1,145,795	\$ 1,145,795
Dec-09	Month 2	\$ 990,816	\$ 2,136,611
Jan-10	Month 3	\$ 828,895	\$ 2,965,505
Feb-10	Month 4	\$ 714,003	\$ 3,679,508
Mar-10	Month 5	\$ 711,261	\$ 4,390,769
Apr-10	Month 6	\$ 681,261	\$ 5,072,031
May-10	Month 7	\$ 657,926	\$ 5,729,956
Jun-10	Month 8	\$ 624,097	\$ 6,354,054
Jul-10	Month 9	\$ 657,576	\$ 7,011,629
Aug-10	Month 10	\$ 613,599	\$ 7,625,228
Sep-10	Month 11	\$ 633,648	\$ 8,258,876
Oct-10	Month 12	\$ 598,502	\$ 8,857,378
Nov-10	Month 13	\$ 595,690	\$ 9,453,068
Dec-10	Month 14	\$ 593,579	\$ 10,046,647
Jan-11	Month 15	\$ 660,513	\$ 10,707,160
Feb-11	Month 16	\$ 672,246	\$ 11,379,406
Mar-11	Month 17	\$ 677,246	\$ 12,056,652
Apr-11	Month 18	\$ 677,246	\$ 12,733,898
May-11	Month 19	\$ 667,246	\$ 13,401,145
Jun-11	Month 20	\$ 675,068	\$ 14,076,213
Jul-11	Month 21	\$ 670,068	\$ 14,746,281
Aug-11	Month 22	\$ 662,246	\$ 15,408,527
Sep-11	Month 23	\$ 664,572	\$ 16,073,100
Oct-11	Month 24	\$ 648,314	\$ 16,721,414
Nov-11	Month 25	\$ 648,002	\$ 17,369,416
Dec-11	Month 26	\$ 636,268	\$ 18,005,684
Jan-12	Month 27	\$ 627,151	\$ 18,632,835
Feb-12	Month 28	\$ 632,401	\$ 19,265,236
Mar-12	Month 29	\$ 632,901	\$ 19,898,137
Apr-12	Month 30	\$ 583,992	\$ 20,482,129
May-12	Month 31	\$ 417,633	\$ 20,899,762
Jun-12	Month 32	\$ 220,100	\$ 21,119,862
Jul-12	Month 33	\$ 220,100	\$ 21,339,962
Aug-12	Month 34	\$ 135,506	\$ 21,475,468
Sep-12	Month 35	\$ 135,506	\$ 21,610,974
Oct-12	Month 36	\$ 126,438	\$ 21,737,412
Nov-12	Month 37	\$ 77,744	\$ 21,815,156
Dec-12	Month 38	\$ 70,694	\$ 21,885,851

HUNT CONSTRUCTION GROUP, INC
BARCLAYS ATLANTIC CENTER ARENA PROJECT
COST OF WORK GC'S INVOICE SUMMARY
APPLICATION NO. 1287-08

<u>Vendor</u>	<u>Code</u>	<u>Inv. No.</u>	<u>Inv. Date</u>	<u>Amount</u>	<u>Personnel Costs</u>
AW Meyer	2521	30417	08/25/10	156.60	
Bugs Are Gone Exterm	2503	7775	07/30/10	1,000.00	
Cassone Leasing Inc	2504	401134	08/01/10	97.99	
Cassone Leasing Inc	2505	52994	06/25/10	553.09	
Cassone Trailer & Container Co	2504	53445	07/30/10	528.22	
Cassone Trailer & Container Co	2504	53446	07/30/10	528.22	
Cassone Trailer & Container Co	2504	53464	08/10/10	533.49	
Cevetta Cousins JV LLC	1515	1002	06/29/10	50,000.00	
Con Edison	2508	81710	08/17/10	97,403.36	
Eddington Security inc	2504	100278	06/26/10	28,553.12	
Eddington Security inc	2504	100313	07/23/10	38,763.94	
Eddington Security inc	2504	100323	08/03/10	15,165.68	
Jam Consultants Inc	2516	106860	08/10/10	1,060.00	
Jam Consultants Inc	2516	106861	08/10/10	1,590.00	
Jam Consultants Inc	2516	107002	08/17/10	530.00	
Jam Consultants Inc	2516	106889	08/11/10	530.00	
Manhattan Fire & Safety	2520	109742	08/10/10	811.08	
New York Gold Shield	2504	1303	08/11/10	4,084.84	
New York Gold Shield	2504	1306	08/17/10	3,978.29	
New York Gold Shield	2504	1309	08/23/10	3,978.29	
Park Avenue	2521	269043	06/18/10	2,315.80	
Park Avenue	2521	279929	08/04/10	3,895.55	
Petty Cash	2506	81610	08/16/10	282.51	
Securitas USA	2504	1776464	08/06/10	4,567.05	
Securitas USA	2504	1783744	08/13/10	7,904.51	
Stanley Supply & Tool	2521	32092	08/02/10	121.31	
Stanley Supply & Tool	2521	31782	07/28/10	1,447.45	
Stanley Supply & Tool	2521	32647	08/09/10	402.20	
Stanley Supply & Tool	2521	32725	08/10/10	1,779.19	
Woman Up	2528	WU124	04/27/10	179.16	
Woman Up	2528	073010A	07/30/10	368.48	
Woman Up	2528	073010C	07/30/10	1,935.55	
Woman Up	2528	073010B	07/30/10	10,349.37	
Zee Medical	2528	113250271	05/12/10	135.26	
Zee Medical	2528	113250565	08/06/10	225.00	
Zee Medical	2528	113250219	04/28/10	91.40	
Zee Medical	2528	113250444	06/30/10	167.60	
Bovis Lend Lease	2500	06-10	08/23/10		22,887.22
Bovis Lend Lease	2500	07-10	08/23/10		23,696.45
Bovis Lend Lease	2500	08-10	08/23/10		25,885.17
Bovis Lend Lease					
Bovis Lend Lease					

\$ 286,013.60 \$ 72,468.84

TOTAL

\$358,482.44

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO OWNER: PROJECT: Barclay's Center Area

Atlantic Yards Development Company, LLC at Atlantic Yards

One Metrotech Center North, 11th Floor

Brooklyn, NY 11201

FROM CONTRACTOR:

Hunt Construction Group, Inc

625 Atlantic Avenue, 3rd Floor

Brooklyn, NY 11217

VIA ARCHITECT:

Ellerbe Beckett

2380 McGett Street

Kansas City, MO 64108

CONTRACT FOR:

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM - GMP \$ 0.00
2. Net change by Change Orders 13 \$ 7,746,950.00
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 7,746,950.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 6,235,975.00

5. RETAINAGE:

a. % of Completed Work (Column D + E on G703) \$ 623,597.50

b. % of Stored Material (Column F on G703) \$

Total Retainage (Lines 5a + 5b or

Total in Column I of G703)

\$ 623,597.50

\$ 5,612,377.50

6. TOTAL EARNED LESS RETAINAGE

(Line 4 Less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR

PAYMENT (Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$7,746,950.00	
Total approved this Month OCO 13	\$0.00	
TOTALS	\$7,746,950.00	\$0.00
NET CHANGES by Change Order	\$7,746,950.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: Hunt Construction Group, Inc.

By:

Date:

State of:

County of:

day of

Subscribed and sworn to before me this

Notary Public:

My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 772,463.25

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.) ARCHITECT: Ellerbe Beckett

By:

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1736 NEW YORK AVE., N.W., WASHINGTON, DC 20008-5202

DOCUMENT G702 · APPLICATION AND CERTIFICATION FOR PAYMENT · 1992 EDITION · AIA · ©1992

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 1287-008 Enviro
APPLICATION DATE: 09/01/10
PERIOD TO: 08/31/10
ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)							
013	Hunt Construction									
	Billing Estimate Previous Month		\$1,485,000.00		(\$1,485,000.00)		\$0.00			\$0.00
	Billing Estimate Sept		\$1,181,250.00		\$1,181,250.00		\$1,181,250.00		(\$1,181,250.00)	\$118,125.00
	Billing Estimate Oct				(\$303,750.00)		\$1,181,250.00		(\$1,181,250.00)	\$118,125.00
	Subtotal Hunt Construction		\$2,666,250.00			\$0.00	\$2,362,500.00		(\$2,362,500.00)	\$236,250.00
	Subcontracts									
	9413 Laquila Group, Inc									
	1287-03 SCO #2 Waste Disposal	\$7,746,950.00	\$2,711,432.50		\$1,162,042.50	\$0.00	\$3,873,475.00	50.00%	\$3,873,475.00	\$387,347.50
	Subtotal Laquila	\$7,746,950.00	\$2,711,432.50		\$1,162,042.50	\$0.00	\$3,873,475.00	50.00%	\$3,873,475.00	\$387,347.50
	SUBTOTAL	\$7,746,950.00	\$5,377,682.50		\$858,292.50	\$0.00	\$6,235,975.00	80.50%	\$1,510,975.00	\$623,597.50
	GRAND TOTALS	\$7,746,950.00	\$5,377,682.50		\$858,292.50	\$0.00	\$6,235,975.00	80.50%	\$1,510,975.00	\$623,597.50

APPLICATION AND CERTIFICATE FOR PAYMENT

(Draft - for illustrative purposes only)

TO (Owner): Brooklyn Events Center LLC
c/o Forest City Ratner Companies
1 MetroTech Center
Brooklyn, NY 11201

Project: BARCLAYS CENTER
at ATLANTIC YARDS
Brooklyn, NY

APPLICATION # 1
APPLICATION DATE 08/25/10
PERIOD TO: 08/31/10
PROJECT NO: XXXX

Distribution to:
OWNER
ARCHITECT
CONTRACTOR
OWNER'S REP

X

FROM (CONTRACTOR): John Civetta & Sons, Inc.
1123 Bronx River Avenue
Bronx, NY 10472

VIA (ARCHITECT):

CONTRACT FOR: General Contractor

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract
Continuation Sheet is attached.

CHANGE ORDER SUMMARY			
Change Orders approved in previous months by Owner		ADDITIONS	DEDUCTIONS
TOTAL			
Number	Date Approved		
			0.00
TOTALS		0.00	0.00
Net change by Change Orders		0.00	0.00

1. ORIGINAL CONTRACT SUM	50,961,000
2. Net change by Change Orders	0
3. CONTRACT SUM TO DATE (Line 1+2)	50,961,000
4. TOTAL COMPLETED & STORED TO DATE (Column H on FC Summary)	1,228,700
5. RETAINAGE:	
a. 10 % of Completed Work (Column E+F on FC Summary)	84,870.00
b. 10 % of Stored Material (Column G on FC Summary)	0.00
Total Retainage (Line 5a + 5b or Total in Column I of FC Summary)	84,870

10% to gov.
5% to architect

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: John Civetta & Sons, Inc.

State of New York
Subscribed and sworn to before me this August 25, 2010

By: [Officer's Name] 08/25/10 DATE

Notary Public:
My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the comprising the above application, the Architect certifies to the Owner that to the of the Architect's knowledge, information and belief the Work has progressed as ated, the quality of the Work is in accordance with the Contract Documents, and contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$
(Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT:

By: This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.
Date:

PC ALP #	PCIC COST CODE or other/ALP	DESCRIPTION OF WORK	ORIGINAL CONTRACT SUM	APPROVED CHANGE ORDERS	ADJUSTED CONTRACT VALUE (A+B)	PREVIOUS APPLICATION	CURRENT APPLICATION	STAGED IN PERMITS paid as of (C)	TOTAL COMPLETED AND STAGED TO DATE	ASTUTION TO DATE (B and C)	TOTAL PAYABLE TO DATE (D+E)	% COMP	LESS PREVIOUS PAYMENTS	NET PAYMENT DUE THIS APPLICATION (F-G)	BALANCE TO COMPL. incl. RETENTION (G-H)	RETENTION FROM PRIOR PERIOD	RETENTION PAID / Retention THIS PERIOD (H-I)	RETENTION TO DATE
	000001 000001	NOV 2001 ADDITIONAL FLOOR LEVELS	1,841,500 1,111,500	-	1,841,500 1,111,500	-	-	-	-	-	-	-	-	-	1,841,500 1,111,500	-	-	
	000002 000002	NOV 2002 2nd - 3rd Floor	1,174,000	-	1,174,000	-	1,174,000	-	1,174,000	1,174,000	1,174,000	100%	-	1,174,000	1,174,000	-	1,174,000	01/01/03
	000003 000003	NOV 2003 4th - 5th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/04
	000004 000004	NOV 2004 6th - 7th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/05
	000005 000005	NOV 2005 8th - 9th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/06
	000006 000006	NOV 2006 10th - 11th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/07
	000007 000007	NOV 2007 12th - 13th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/08
	000008 000008	NOV 2008 14th - 15th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/09
	000009 000009	NOV 2009 16th - 17th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/10
	000010 000010	NOV 2010 18th - 19th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/11
	000011 000011	NOV 2011 20th - 21st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/12
	000012 000012	NOV 2012 22nd - 23rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/13
	000013 000013	NOV 2013 24th - 25th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/14
	000014 000014	NOV 2014 26th - 27th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/15
	000015 000015	NOV 2015 28th - 29th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/16
	000016 000016	NOV 2016 30th - 31st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/17
	000017 000017	NOV 2017 32nd - 33rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/18
	000018 000018	NOV 2018 34th - 35th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/19
	000019 000019	NOV 2019 36th - 37th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/20
	000020 000020	NOV 2020 38th - 39th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/21
	000021 000021	NOV 2021 40th - 41st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/22
	000022 000022	NOV 2022 42nd - 43rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/23
	000023 000023	NOV 2023 44th - 45th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/24
	000024 000024	NOV 2024 46th - 47th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/25
	000025 000025	NOV 2025 48th - 49th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/26
	000026 000026	NOV 2026 50th - 51st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/27
	000027 000027	NOV 2027 52nd - 53rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/28
	000028 000028	NOV 2028 54th - 55th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/29
	000029 000029	NOV 2029 56th - 57th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/30
	000030 000030	NOV 2030 58th - 59th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/31
	000031 000031	NOV 2031 60th - 61st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/32
	000032 000032	NOV 2032 62nd - 63rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/33
	000033 000033	NOV 2033 64th - 65th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/34
	000034 000034	NOV 2034 66th - 67th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/35
	000035 000035	NOV 2035 68th - 69th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/36
	000036 000036	NOV 2036 70th - 71st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/37
	000037 000037	NOV 2037 72nd - 73rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/38
	000038 000038	NOV 2038 74th - 75th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/39
	000039 000039	NOV 2039 76th - 77th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/40
	000040 000040	NOV 2040 78th - 79th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/41
	000041 000041	NOV 2041 80th - 81st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/42
	000042 000042	NOV 2042 82nd - 83rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/43
	000043 000043	NOV 2043 84th - 85th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/44
	000044 000044	NOV 2044 86th - 87th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/45
	000045 000045	NOV 2045 88th - 89th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/46
	000046 000046	NOV 2046 90th - 91st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/47
	000047 000047	NOV 2047 92nd - 93rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/48
	000048 000048	NOV 2048 94th - 95th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/49
	000049 000049	NOV 2049 96th - 97th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/50
	000050 000050	NOV 2050 98th - 99th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/51
	000051 000051	NOV 2051 100th - 101st Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/52
	000052 000052	NOV 2052 102nd - 103rd Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/53
	000053 000053	NOV 2053 104th - 105th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/54
	000054 000054	NOV 2054 106th - 107th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,144,000	1,144,000	100%	-	1,144,000	1,144,000	-	1,144,000	01/01/55
	000055 000055	NOV 2055 108th - 109th Floor	1,144,000	-	1,144,000	-	1,144,000	-	1,144,000	1,14								

CHANGE ORDERS

[illegible]

- Cut of cover at Flatbush & Atlantic -
 1. 1st Div. is below other -

- Cut of core at Flathorn & Anzac.
- Drilling test pile & ~~soil~~ ^{soil} pipes.
- Begin excavation
- Temp. Electrical.

REQUISITION FOR PAYMENT

TO: The Bank of New York Mellon, a New York banking corporation, as Bond Trustee under the PILOT Indenture described below (the "Bond Trustee").

FROM: Merritt & Harris ("Construction Monitor").

RE: Master PILOT Indenture of Trust, between Brooklyn Arena Local Development Corporation (the "Agency") and the Bond Trustee, dated as of December 1, 2009 (the "PILOT Indenture"), with respect to the financing of a project (the "Project") as defined in the PILOT Indenture.

REQUISITION NO.: 05

AMOUNT OF DRAW REQUESTED: \$ 10,842,861.42

DATE: September 20, 2010.

This Requisition for Payment (this "Requisition") is submitted by the Construction Monitor to the Bond Trustee pursuant to the requirements of Section 4.02 and Section 5.02(c) of the PILOT Indenture in order to induce the Bond Trustee to approve the requested disbursement of funds (a "Bond Proceeds Draw") from the Senior PILOT Bonds Construction and Acquisition Account of the PILOT Bonds Project Fund established under the PILOT Indenture and pursuant to the requirements of Section 2.13 of the First Supplemental PILOT Indenture in order to induce the Bond Trustee to approve the requested disbursement of funds (a "Additional Rent Draw") from the Series 2009 Additional Rent Account of the PILOT Bonds Project Fund established under the First Supplemental PILOT Indenture. All capitalized terms used herein which are not otherwise specifically defined shall have the same meanings herein as in the PILOT Indenture and the First Supplemental PILOT Indenture.

(a) The Construction Monitor hereby requests that the Bond Trustee approve a Draw for \$ 10,842,861.42. \$ 10,842,861.42 of the Draw will be an Additional Rent Draw and \$ 0.00 of the Draw will be a Bond Proceeds Draw. Details of the requested Draw are set forth on Exhibit A attached hereto.

(b) The Draw of \$ 10,842,861.42 requested hereby, when added to all prior Draws in the aggregate amount of \$ 37,871,173.71, will result in aggregate Draws of \$ 48,714,035.13. The Additional Rent Draw of \$ 10,842,861.42 requested hereby, when added to all prior Additional Rent Draws in the aggregate amount of \$ 37,871,173.71, will result in aggregate Additional Rent Draws of \$ 48,714,035.13. The Bond Proceeds Draw of \$ 0.00 requested hereby, when added to all prior Bond Proceeds Draws in the aggregate amount of \$ 0.00, will result in aggregate Bond Proceeds Draws of \$ 0.00.

(c) The Construction Monitor hereby certifies that:

(i) Each of the Construction Agreements, or substitute construction agreements (including, but not limited to, the Guaranty to the Arena Lease Agreement (the "Guaranty")) to the extent the Guarantor is performing Guaranteed Work pursuant to the Guaranty, is in full force and effect on the date hereof and have not been modified or amended, except as permitted by the terms thereof. Except for notices, if any, relating to matters which have been cured or waived, or except as may be stated on Exhibit B attached hereto, the Construction Monitor has no knowledge of receipt by the Company nor has the Construction Monitor received any notice of default from a Contractor under the Construction Agreements or such substitute construction agreement.

(ii) Except as may be stated on Exhibit B attached hereto, construction of the Project has been performed to date substantially in accordance with the requirements of the Construction Agreements or substitute construction agreements (including, but not limited to, the Guaranty).

(iii) Except as may be stated on Exhibit C attached hereto, all permits required to construct the Project at this stage of construction have been issued and are in full force and effect, and the Construction Monitor has no notice or knowledge as of the date hereof of any actions pending to revoke any of such permits.

(iv) This Requisition is for costs that constitute Project Costs and that have not been the basis of any prior Requisition for Payment from the PILOT Bonds Project Fund, including without limitation the Series 2009 Additional Rent Account therein. This Requisition contains no items representing payment on account of any amounts not yet required or otherwise not permitted to be paid as of the date hereof.

(v) To the best of the Construction Monitor's knowledge, except as may be stated in Exhibit D attached hereto, (a) construction of the Project is proceeding on Schedule and (b) Substantial Completion of the Project will occur by the Scheduled Completion Date.

(vi) To the best of the Construction Monitor's knowledge, the Construction Monitor has no reason to believe that the funds needed to achieve Substantial Completion of the Project will exceed the amounts available under the PILOT Indenture.

(vii) To the best of the Construction Monitor's knowledge, the Construction Monitor has no reason to believe that the funds needed to achieve Substantial Completion of the Infrastructure Improvements will exceed the amounts available under the Trust Agreement.

(viii) The proceeds of all prior Draws have been expended solely for the purposes for which they were requisitioned.

(ix) No event or discovery has occurred which would give rise to the right of the Company to terminate the Lease Agreement in accordance with the provisions of

Section 16.2(a) thereof and no Hazardous Materials notice has been delivered in accordance with such Section.

(x) The items of cost set forth on Exhibit A attached hereto are correct and proper under Section 5.02(c) of this Master PILOT Indenture and each such item has been properly paid or incurred as an item of Project Cost.

(xi) Except as otherwise permitted in the Tax Certificate, no item of cost set forth on Exhibit A attached hereto was incurred or paid prior to NA.

(xii) The payees and amounts stated in Exhibit A attached hereto are true and correct and each item of cost so stated is due and owing.

(xiii) It has no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment.

(xiv) Each item of cost set forth in Exhibit A attached hereto is consistent in all material respects with the Tax Certificate.

(xv) To the extent a payment herein requested is a reimbursement to the Company for costs or expenses of the Company incurred by reason of work performed or supervised by officers or employees of the Company, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the Company and such costs or expenses will be treated by the Company on its books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis.

(xx) Each item of cost for which payment is herein requested is chargeable to the capital account of the Project for Federal income tax purposes, or would be so chargeable either with an election by the Company or but for the election of the Company to deduct the amount of such item.

(xxi) (A) No Default or Event of Default has occurred and is continuing under the Bond Documents or the Lease Documents nor any condition, event or act which, with notice or lapse of time or both would constitute such a Default or Event of Default or (B) the Guarantor is performing Guaranteed Work pursuant to the Guaranty.

(xxii) Each condition precedent to the PILOT Bond Trustee's obligation to approve the requested Draw, including all applicable conditions in Section 5.02(c) of the PILOT Indenture and Section 2.13 of the First Supplemental, has been satisfied.

(xxiii) There have been no material Change Orders other than those permitted by the Construction Management Agreement.

(xxiv) Attached is a true and complete copy of the approved Project Budget. Moneys and/or Additional Rent Account Credit Facilities on deposit in the PILOT

Bonds Project Fund, including the Series 2009 Additional Rent Account therein, are sufficient to pay the amounts set forth in the approved Project Budget attached as **Exhibit E** hereto.

(xxv) This Requisition constitutes the representation and warranty that the information set forth in this. Requisition is true, accurate and complete in all material respects.

(xxvi) The Construction Monitor has been provided with and approved (a) a complete schedule of bills or invoices supporting such requisition (stamped "paid" if reimbursement is to be made to the Company) or other evidence reasonably satisfactory to the PILOT Bond Trustee including evidence that the bill, invoice or other evidence was not incurred or paid on a date prior to NA, 2009 except as otherwise provided by the Tax Certificate and (b) a partial waiver of lien from any contractor which is being paid from any disbursement.

This Requisition and the accompanying supporting documentation are submitted to the Bond Trustee for the purpose of inducing the PILOT Bond Trustee to approve the Draw, and the Construction Monitor intends that the PILOT Bond Trustee shall be entitled to rely upon each of the same as being true, accurate and complete in all material respects.

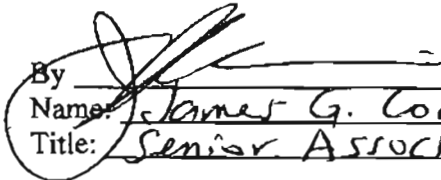
(d) If this Requisition is approved for payment and all other conditions precedent to the PILOT Bond Trustee's obligation to make the Draw are satisfied, please disburse the Draw on _____ 20_, as follows:

(i) by wire transfer to:

Bank Name:	JPMorgan Chase Bank
ABA #	021000021
Account Name:	Brooklyn Events Center, LLC
Account Number:	837 489 632

IN WITNESS WHEREOF, the Construction Monitor has caused this Requisition to be
duly executed as of September 22, 2010.

MERRITT & HARRIS, INC
As Construction Monitor

By 
Name: James G. Cockinos
Title: Senior Associate

ACKNOWLEDGED BY:

THE BANK OF NEW YORK MELLON

By _____
Name: _____
Title: _____

BROOKLYN EVENTS CENTER, LLC

By 
Name: David L. Berliner
Title: Sr. Vice President

Exhibit A to Requisition for Payment

Details of the requested Draw:

SEE ATTACHED

Exhibit B to Requisition for Payment

Description of notices from the Contractor: **None**

Description of variances:

Exhibit C to Requisition for Payment

Description of actions pending to revoke permits: **None**

Exhibit D to Requisition for Payment

Description of construction delays and/or cost overruns: **None**

Copy of Approved Budget

Exhibit E to Requisition for Payment

SEE ATTACHED

SCHEDULE A TO REQUISITION NO. 5

Amount

Payee (with address)

Purpose

Receipt is hereby acknowledged of a payment in the amount of \$ 37,871,173.71 in connection with the submission of the attached Requisition.

BROOKLYN EVENTS CENTER LLC]

By

Name:

Title:


David L. Berliner
Sr. Vice President

Date: _____

OWNER CHANGE ORDER SUMMARY

		Total Previous			
		Change Orders		As Budgeted on OPA	
Original Contract Value less CCE		Change Order Value		Cumulative Total	
Budget Transfer (Low Voltage Scope from Division 17 to Division 16)					
1	Banker Steel OCIP Deduct	\$	0	\$	\$ 475,755,507.00
2	Budget Transfer	\$	-	\$	\$ (895,700.00)
3	Laquila OCIP Deduct SCO #1	\$	(895,700.00)	\$	\$ (1,770,921.00)
4	Almar OCIP Deduct	\$	(2,666,621.00)	\$	\$ (220,000.00)
5	Design - On Grade Bus Ramp	\$	(2,886,621.00)	\$	\$ 57,318.00
6	Design - Wind/Falling Ice	\$	(2,829,305.00)	\$	\$ (29,500.00)
7	Design - Sight line Study for Hockey	\$	(2,858,805.00)	\$	\$ 2,928.00
8	United Hoist - Upgrade Fence	\$	(2,855,877.00)	\$	\$ 249,994.00
9	United Hoist - Fence @ Lot 21 Demo	\$	(2,605,883.00)	\$	\$ 226,372.00
10	Reassign Structural Precast to Banker	\$	(2,379,511.00)	\$	\$ 1287-02
11	United Hoist Ph 2 Upgrade	\$	(2,379,511.00)	\$	\$ 554,780.00
12	Laquila - Waste Disposal SCO #2	\$	(1,824,731.00)	\$	\$ 48K to Demo
13	Otis OCIP Deduct	\$	5,922,219.00	\$	\$ 7,746,950.00
14	ASJ OCIP Deduct	\$	5,869,057.00	\$	\$ (53,162.00)
15	Separate CCE and GMP	\$	4,802,957.00	\$	\$ (1,066,100.00)
16	H Mak Inc OCIP	\$	4,802,957.00	\$	\$ -
17	American Stair OCIP	\$	4,849,757.00	\$	\$ (153,200.00)
18	GC's & Fee to Hunt for Fence Upgrade	\$	4,628,841.00	\$	\$ (20,916.00)
19	Addition OCO 12	\$	4,680,759.00	\$	\$ 51,918.00
20	Con Ed Network Room Relocate	\$	75,000.00	\$	\$ 75,000.00
		\$ 4,755,759.00		\$ 480,511,266.00	
				FCRC Contract Value	
				\$ 8,839,018.00	
				CCE	
				\$ 489,350,284.00	
				Should match contract value on Comb OPA	

Hunt Construction Inventory of Stored Material	Contractor Name
--	-----------------

PROJECT NAME

Barclays Center Arena
Brooklyn, NY

Hunt Construction Group, Inc.

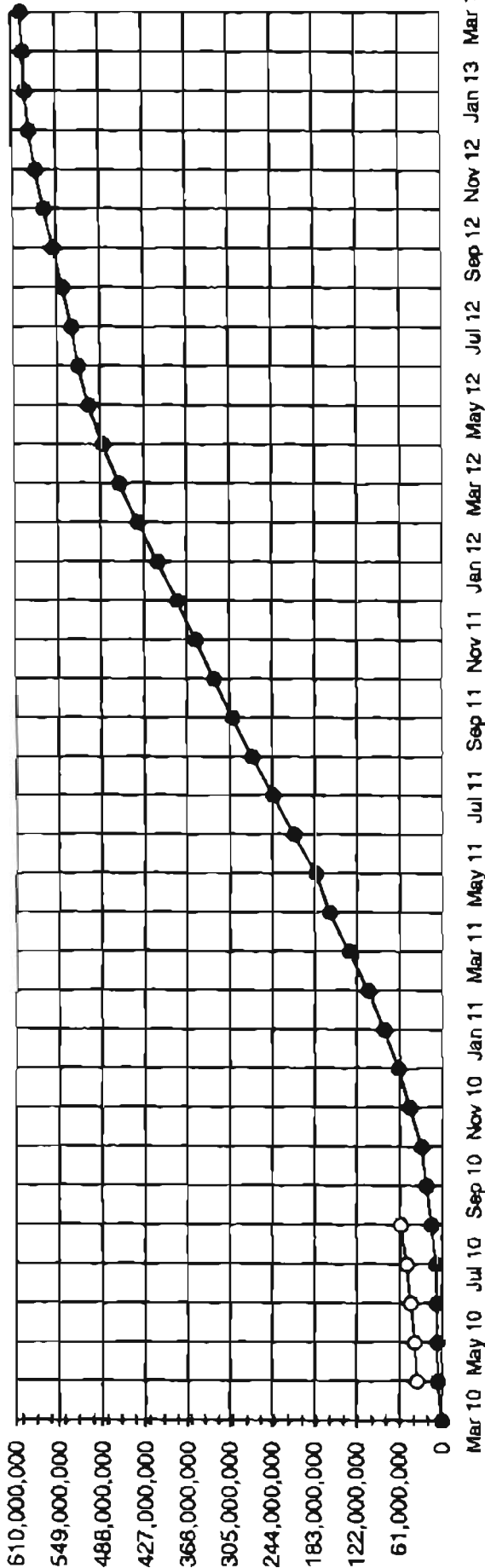
MATERIALS LOCATED AT:

Various Subcontractors Listed

Description of Material	Quantity	Unit Price	Previously Stored	Value Withdrawn	Value Added	Presently in Storage	Amount of this Requisition
Bankers Steel Co			\$ 1,388,000.00	\$ -	\$ 1,315,000.00	\$ 2,703,000.00	\$ 1,315,000.00
ASI Limited			\$ 62,300.00	\$ -	\$ 861,667.00	\$ 923,967.00	\$ 861,667.00
Totals			\$ 1,450,300.00	\$ -	\$ 2,176,667.00	\$ 3,626,967.00	\$ 2,176,667.00

SF 364

NETS ARENA
BARCLAYS CENTER & TRANSIT CONNECTION
BROOKLYN, NEW YORK
PROGRESS: PROJECTED VS. ACTUAL



TIME
Prepared by Merritt & Harris, Inc. Information Management Center
—●— PROJECTED —○— ACTUAL

PROJECT NO. 23-041A
START DATE 3/15/2010
COMPLETION 7/28/2013
HARD COST \$90,628,800
1ST B.O. DATE 5/14/2010
PROJECT DAYS 1081
PROJECT MOVL 36
PROJECT MGR James G. Cordina

ACT MONTHS		MONTHS FROM 1ST SITE OBSERVATION																								
3-10		3-10	4-10	5-10	6-10	7-10	8-10	9-10	10-10	11-10	12-10	1-11	2-11	3-11	4-11	5-11	6-11	7-11	8-11	9-11	10-11	11-11	12-11	1-12	2-12	3-12
ESTIMATED																										
\$,000'S PER MONTH																										
\$,000'S CUMULATIVE																										
% COMPLETE PER MONTH																										
% COMPLETE CUM.																										
ACTUAL																										
\$,000'S PER MONTH																										
\$,000'S CUMULATIVE																										
% COMPLETE PER MONTH																										
% COMPLETE CUM.																										
DIFFERENCE																										
4-12	6-12	6-12	7-12	8-12	9-12	10-12	11-12	12-12	1-13	2-13	3-13															
22787	19149	14317	9127	13094	13000	12895	11274	9008	5011	2984	2328															
444602	160650	517987	527084	540098	553401	568228	577600	586508	591619	594200	596530															
3.82	3.21	2.40	1.53	2.20	2.16	1.86	1.51	1.04	0.46	0.39																
81.22	84.43	88.83	88.26	80.64	82.77	84.28	86.25	88.32	89.18	89.81	100.00															
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

PROGRESS: PROJECTED VS. ACTUAL



Jan 10 Mar 10 May 10 Jul 10 Sep 10 Nov 10 Jan 11 Mar 11 May 11 Jul 11 Sep 11 Nov 11 Jan 12 Mar 12 May 12 Jul 12 Sep 12 Nov 12 Jan 13 Mar 13

PROJECT MGR.
James G. Cockings

Presented by Morris B. Morris
Information Management Center

—●— PROJECTED

[illegible]



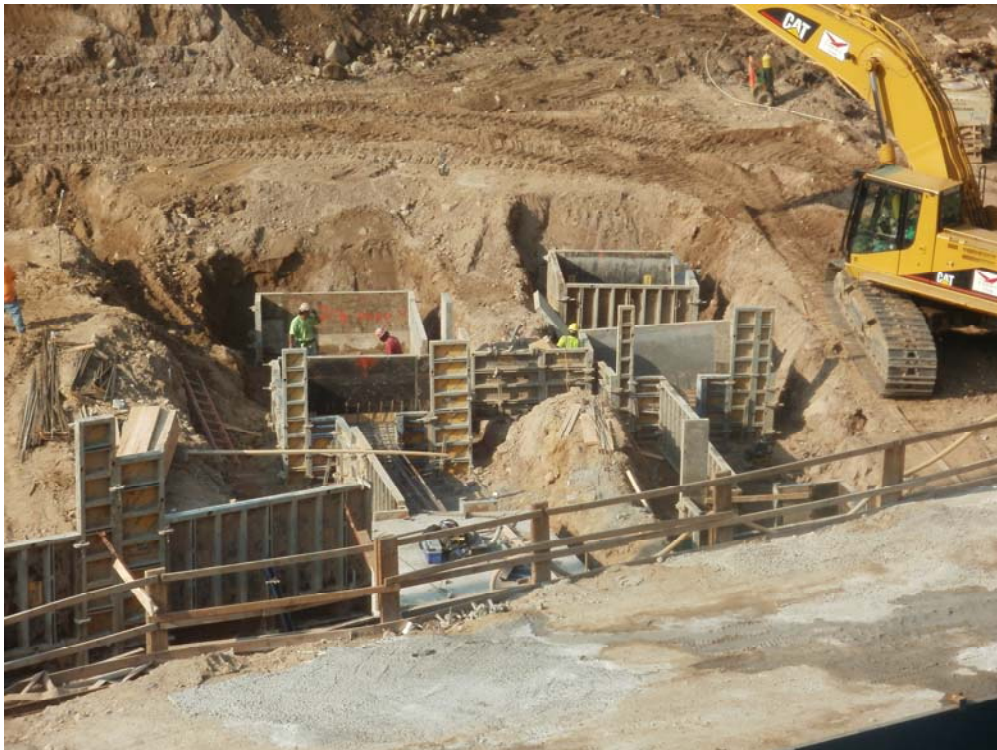
1. Overall view of site



2. Concrete poured foundation wall at northeast corner of site



3. Foundation wall formwork at Gridlines 12 - 9



4. Formwork for grade beams and interior footings



5. Subgrade prepared for perimeter footing formwork



6. Support of excavation at southwest corner of site



7. Excavation in progress at northwest corner of site



8. Work ongoing for Transit Connection along Flatbush Avenue